45

EXCESSES OVER VOTED GRANTS AND CHARGED APPROPRIATIONS (2003-2004)

PUBLIC ACCOUNTS COMMITTEE 2006-2007

FORTY-FIFTH REPORT

FOURTEENTH LOK SABHA

LOK SABHA SECRETARIAT
NEW DELHI

FORTY-FIFTH REPORT

PUBLIC ACCOUNTS COMMITTEE
(2006-2007)

(FOURTEENTH LOK SABHA)

EXCESSES OVER VOTED GRANTS AND CHARGED APPROPRIATIONS (2003-04)

[Action Taken on the 21st Report of Public Accounts Committee
(14th Lok Sabha)]

Presented to Lok Sabha on 28 *April,* 2007
Laid in Rajya Sabha on 3 *May,* 2007

LOK SABHA SECRETARIAT
NEW DELHI
April, 2007/*Chaitra,* 1929 *(Saka)*

P.A.C. No. 1830

Price: Rs. 155.00

©2007 By Lok Sabha Secretariat

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Ninth Edition) and Printed by the Manager, Government of India Press, Minto Road, New Delhi-110 002.

CONTENTS

		PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2006-2007)		(iii)
INTRODUCTION		(v)
CHAPTER I	Report	1
CHAPTER II	Observations/Recommendations that have been accepted by the Government	9
CHAPTER III	Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government	87
CHAPTER IV	Observations/Recommendations replies to which have not been accepted by the Committee and which require reiteration	88
CHAPTER V	Observations/Recommendations in respect of which Government have furnished interim replies/no replies	144

PART II

	Minutes of the sitting of Public Accounts Committee (2006-07) held on 19.4.2007	145

APPENDIX

	Statement of Observations and Recommendations ..	147

COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE
(2006-2007)

Prof. Vijay Kumar Malhotra — *Chairman*

Lok Sabha

2. Shri Khagen Das
3. Shri P.S. Gadhavi
4. Shri R.L. Jalappa
5. Shri Raghunath Jha
6. Shri Bhartruhari Mahtab
7. Shri Brajesh Pathak
8. Prof. M. Ramadass
9. Shri M. Sreenivasulu Reddy
10. Shri Madan Lal Sharma
11. Shri Mohan Singh
12. Shri Rajiv Ranjan 'Lalan' Singh
13. Shri Kharabela Swain
14. Shri K.V. Thangkabalu
15. Shri Tarit Baran Topdar

Rajya Sabha

16. Shri V. Narayanasamy
17. Shri R.K. Dhawan
18. Shri Janardhana Poojary
19. Shri Suresh Bhardwaj
20. Shri Prasanta Chatterjee
21. Dr. K. Malaisamy
22. Shri Ravula Chandra Sekar Reddy

SECRETARIAT

1. Shri S.K. Sharma	—	*Additional Secretary*
2. Shri A. Mukhopadhyay	—	*Joint Secretary*
3. Shri Brahm Dutt	—	*Director*
4. Shri M.K. Madhusudhan	—	*Deputy Secretary Gr.-II*
5. Shri Rajesh Kumar Kashyap	—	*Committee Assistant*

INTRODUCTION

I, the Chairman, Public Accounts Committee, as authorised by the Committee, do present this Forty-Fifth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 21st Report (14th Lok Sabha) on "Excesses over Voted Grants and Charged Appropriations (2003-2004)".

2. This Report was considered and adopted by the Public Accounts Committee at their sitting held on 19th April, 2007. Minutes of the sitting form Part II of the Report.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix to the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

5. The Committee also place on record their appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached with the Committee.

NEW DELHI;
19 *April*, 2007
29 *Chaitra*, 1929 *(Saka)*

PROF. VIJAY KUMAR MALHOTRA,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their Twenty-First Report (14th Lok Sabha) on "Excesses over Voted Grants and Charged Appropriations (2003-04)".

2. The Twenty-First Report (14th Lok Sabha), which was presented to Lok Sabha on 8th December 2005, contained twelve Observations/Recommendations. The Action Taken Notes on all the Observations/Recommendations have been received from the Ministries/Departments concerned and are categorised as under:—

(i) Observations/Recommendations that have been accepted by Government:
Sl. Nos. 1,2,4,5,6,8,9,11 and 12

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from Government:

-NIL-

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Sl. Nos. 3,7 and 10

(iv) Observations/Recommendations in respect of which Government have furnished interim replies/no replies:

-NIL-

A. Excesses over Voted Grants and Charged Appropriations (2003-2004) – a gist of the Committee's Observations/Recommendations in the Twenty-First Report

3. The Twenty-First Report (14th Lok Sabha) dealt with cases of those Grants/Appropriations where money had been spent in excess of the amount authorised by the Parliament for specified services/purposes in the year 2003-2004. The Committee had found that during the year 2003-2004, an excess expenditure of Rs. 43364.62 crore had been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in seven Grants/Appropriations operated by the Civil Ministries/Departments (Rs.42182.74 crore incurred under one grant by the Ministry of Finance alone), Rs.1136.92 crore under nine Grants/Appropriations pertaining to the Ministry of Railways and Rs.37.50 crore in one Grant operated by the Ministry of Defence. The Committee had further noted that excess expenditure

of the Union Government is not only a regular phenomenon but, at the same time had grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. For rectifying the aforesaid fiscal irregularities, the Committee had desired that every Ministry/Department should carefully review their existing mechanism for framing of budget estimates and apply corrective measures, wherever required to make the budgetary exercise more realistic and meaningful in future.

4. The Action Taken Notes furnished by the concerned Ministries/Departments have been reproduced in the relevant Chapters of this Report. The Committee will now deal with the Action Taken by the Government on some of their Observations/ Recommendations made in the Twenty-First Report, which need reiteration or merit comments.

Delay in submission of Explanatory Notes

(Recommendation Sl. No. 3, Para No. 69)

5. Commenting on the delay in submission of Explanatory Notes by the Ministries/ Departments, the Committee had observed that although the Ministries of Defence and Railways and Department of Telecommunications furnished the same within the prescribed time limit, there was inordinate delay in submission of explanatory notes by other Ministries/Departments ranging from one month to three months. The Committee had noted that there was always delay on the part of the Ministry of Finance in furnishing the explanatory notes on the excess expenditure. This delay usually ranged from one and half month to more than eight months. This year also, the explanatory notes on Appropriation No. 37— Repayment of Debt were received from them after three months of the presentation of the Appropriation Accounts (Civil) to the House. Belated submission of explanatory notes by the Ministry of Finance had hampered timely finalisation of the report of the Committee on excesses. Sometimes the said notes were not furnished to the Committee till the finalisation of the Report. This tendency on the part of the Ministry of Finance was not found justifiable particularly when they had been issuing instructions to other Ministries/ Departments for timely submission of the explanatory notes to the Committee. The Committee placed on record their displeasure over the persistent tendency on the part of Ministry of Finance in furnishing requisite explanatory notes. Considering the fact that excesses over Voted Grants and Charged Appropriations are to be brought before the Parliament for regularisation expeditiously, the Committee had asked the Ministry of Finance to look into the matter and apprise them of the precise reasons for persistent delay on their part in timely submission of explanatory notes and fix the responsibility on the officials for any laxity in this regard. The Committee also pointed out that other Ministries/Departments like Home Affairs, Information Technology, Development of North Eastern Regions and Personnel, Public Grievances and Pensions are also required to ensure timely submission of the requisite notes.

6. Explaining the reasons for the delay in submission of explanatory notes on excess expenditure incurred under Appropriation No. 37—Repayment of Debt, the Ministry of Finance (Department of Economic Affairs), which is the nodal Ministry to follow up on Action Taken Notes furnished by various Ministries/Departments

have, in their Action Taken reply submitted as under:—

"The IIIrd Stage of Appropriation Accounts of Appropriation No. 37—Repayment of Debt for 2003-04 was received from the Office of the CAG during the second week of December, 2004 for purpose of submission of detailed head-wise Explanatory Note to Monitoring Cell after the same is vetted by the Audit. In this regard, it may be stated that there was continuous effort on the part of Ministry of Finance for furnishing the above explanatory note as per the chronological events detailed below:—

(i) For preparation of Explanatory Note, necessary information was called for from the Office of the Controller of Aid Accounts & Audit in respect of External Debt *vide* our letter dated 20.12.2004 and, in response, the said information was sent by that office *vide* their letter dated 27.1.2005.

(ii) The detailed Explanatory Note was accordingly prepared and sent to the Office of the DG Audit for vetting *vide* our letter dated 28.1.2005.

(iii) The said Explanatory Note was returned by Audit *vide* their U.O. No. RR/1-31/2004-05/1969 dated 22.2.2005 with following comments:

  (a) The reasons attributed for excess expenditure under the sub-heads may be given in detail for better appreciation of the matter by PAC.

  (b) The remedial action taken to avoid recurrence of such instance in future may be indicated in the Note.

  (c) It is mentioned that the Explanatory notes can be vetted finally only after finalization of the Head-wise Appropriation Accounts for 2003-04. Till then, Ministry may keep the revised note with them and send it to audit for further vetting after finalization of the Head-wise Appropriation Accounts for 2003-04.

(iv) The Head-wise Appropriation Accounts for 2003-04 was laid before both the Houses of Parliament on 6.5.2005 as per Ministry of Parliamentary Affair's U.O. No. F.28(3)/2005-Leg.I dated 2.5.2005.

(v) In response to this Ministry letter dated 6.4.2005, the Office of the Controller of Aid Accounts & Audit had furnished the information in respect of external debt for (iii) a & b above *vide* their letter dated 3.6.2005.

(vi) After meeting the observation of Audit for (iii) a & b, the revised Explanatory Note was sent Audit on 22.7.2005 for vetting. Thereafter, two reminders were issued to Audit *vide* our letter dated 29.7.2005 and 2.8.2005 for its early vetting.

(vii) The Explanatory Note sent by Audit after vetting, *vide* their letter dated 10.8.2005, was sent to Monitoring Cell, Ministry of Finance *vide* this Division O.M. dated 16.8.2005.

From above, it may be seen that Explanatory Note was sent to Audit for vetting in time after its receipt from the Office of the Controller General of Accounts (CGA). The revised Explanatory Note was sent to Audit for further vetting after finalization

of Head-wise Appropriation Accounts for 2003-04 and giving detailed reasons for excess *vis-a-vis* also indicating remedial action to avoid recurrence of such instance in future as per observation of Audit.

Though the Ministry of Finance was making continuous efforts to process the reply as expeditiously as possible, the Explanatory note could only be submitted to Monitoring Cell, after fulfilling the observations of Audit and obtaining the vetted Note from Audit. However, it will be the constant endeavour of Ministry of Finance to expedite every stage of the process by regular follow up with the concerned for ensuring timely submission of explanatory notes in future and the observations/ recommendations of the Committee have been noted for strict compliance."

7. The Ministry of Home Affairs have, in their Action Taken Notes stated as follows:—

> "It is submitted here that in November 2004, it was brought to the notice of the Ministry by the Principal Accounts Office of Cabinet Grant (PAO, Ministry of Personnel, Public Grievances and Pensions) that an excess of Rs. 5.59 lakh had occurred under Revenue Section (Charged) of the Grant and an 'Explanatory Note' for this excess was required to be furnished to Office of the Controller General of Account, Ministry of Finance and Office of the Director General of Audit, Central Revenues alongwith Stage-III of the Head-wise Appropriation Account of the Grant. After obtaining the necessary information from all concerned, the 'Explanatory Note for Excess' was prepared and the same was furnished to PAO on 15.12.2004 for its onward transmission to the aforesaid offices. In the last week of February, 2005, it was informed by the PAO that Office of the Director General of Audit, Central Revenues had suggested some corrections in the 'Explanatory Note for Excess', sent to them for vetting. After carrying out the desired corrections, the revised 'Explanatory Note for Excess' was sent to PAO on 14th March, 2005 for its onward transmission to Office of the Director General of Audit, Central Revenues, for further vetting as desired by them.
>
> The 'Explanatory Note for Excess', duly vetted by Office of the Director General of Audit, Central Revenues was received in the Ministry only on 19th May, 2005. After getting the final 'Explanatory Note' translated into Hindi, the same was furnished to Ministry of Finance (Monitoring Cell) on 6th June, 2005 alongwith requisite number of copies in English and Hindi versions. It may kindly be seen from above that although the Ministry had initiated action in November, 2004 itself to make available the PAC, the 'Explanatory Note for Excess' in time, the same could only be finalised and furnished on 6th June, 2005, *i.e.*, after the delay of one month from the date the 'Appropriation Account' of the Grant was laid on the Table of the House.
>
> Notwithstanding the reasons stated for the belated submission of the 'Explanatory Note for Excess', the inconvenience caused to PAC is regretted. In future, more efforts will be made to adhere to the time-limit prescribed in this regard."

8. In their Action Taken Notes, the Ministry of Information Technology have stated as under :—

> "The delay is regretted. The point is noted for future compliance. The explanatory note on excess/savings was sent to audit in time. There had been some observations from their office. After carrying out the amendments/corrections as per directions of audit the same was again sent for vetting. This transaction took considerable time which caused the delay. However, the concerned officials have been instructed to adhere to the time schedule."

9. From the explanation given by the Ministry of Finance in their Action Taken Note, the Committee note that there is further scope for cutting down the time at various stages in regard to finanlisation and submission of Explanatory Notes by them. The Committee expect that in future, the Ministry of Finance would show the requisite urgency in the matter and take all possible steps for timely submission of Action Taken Notes. The Committee regret to note that the Ministry's reply is conspicuously silent with regard to efforts made by the Ministry of Finance in ensuring timely submission of Explanatory Notes by various Ministries/ Departments. This shows that the Ministry appears to have not discharged their role as the nodal coordinating agency in ensuring timely submission of Explanatory Notes by different Ministries/Departments. In their Action Taken Notes, the Ministries of Home Affairs and Communication and Information Technology (Department of Information Technology) have regretted for the delay in submission of Action Taken Notes and assured that in future the same would be furnished on time. The Committee would now expect the Ministry of Finance to take proactive steps to ensure timely submission of Explanatory Notes by various Ministries/ Departments. For this the Ministry of Finance in consultation with Comptroller and Auditor General of India should put in place a centralised computerised monitoring system to check the status of the preparation of Explanatory Notes at every stage by various Ministries/Departments so that the delay in finalisation of Action Taken Reports by the Public Accounts Committee for regularization of excess expenditure could be avoided.

B. Persistent Excess expenditure incurred by the Ministry of Railways due to decretal payment at the fag end of the year

(Recommendation Sl. No.7, Para No. 73)

10. The Committee had noted from the Indian Railways Appropriation Accounts for the year 2003-04 that the Ministry of Railways had incurred an excess expenditure of Rs. 1136.92 crore under 13 cases of nine Grants/Appropriations. It was further noted that out of nine excess registering Grants/Appropriations, the amount of excess expenditure under three Grants (Nos. 14, 16—Other Expenditure—Capital and S.R.S.F.) was more than Rs. 100 crore. To the utter dismay of the Committee, as in the last year, the original provisions under Appropriation Nos. 3,7,8,9,10,11, 16—O.L.W.R. were not available to be spent and thus only supplementary provisions (except Appropriation No. 10) were obtained for this purpose. The expenditure under

Appropriation No. 10 was incurred without any sanctioned provisions. What was more intriguing was the fact that under all the nine cases of Appropriations (Nos. 3,7,8,9,10,11, 16— Capital, Railway Funds and O.L.W.R.), the excess expenditure was incurred mainly due to unanticipated decretal payments at the fag end of the year. The Committee had pointed out that the Ministry of Railways had been incurring excess expenditure in the Grants/Appropriations operated by them since the year 2001-02 with the same contributory reasons. Consequently, the Committee in Paragraph 17.9 of their 58th Report (13th Lok Sabha) and Paragraph 75 of their 10th Report (14th Lok Sabha) had not only desired the Ministry of Railways to provide for the decretal payments in the Original/Supplementary Budget, but had also urged them to make additional provisions at the Revised Estimates with more precision. The Committee were unhappy to note that their earlier recommendations had not been taken seriously by the Ministry of Railways so as to bring about the desired result. They had, therefore, desired that the recurrent lapses on this account may be carefully looked into, with a view to fixing responsibility at the appropriate level so that there is no recurrence of such excesses.

11. In their Action Taken reply, the Ministry of Railways have stated as follows:—

> "The concern expressed by the Committee in the above quoted report on excess incurred in 2001-02 has immediately been conveyed to the railways in March 2004 itself. At every budgetary stage, the Railways are exhorted to be extremely painstaking and careful in assessing the funds required for decretal payments. However, taking note of the Committee's serious concern in the present report, the railways have again been urged upon to correctly assess the additional requirement under the charged appropriations in the Revised Estimates itself so as to avoid excess expenditure at the end of the year and they have been instructed to look into the recurrent lapses on this account with a view to fixing responsibility at the appropriate level so that there is no recurrence of excesses."

12. The Committee have been disappointed to note that the Ministry of Railways have not taken any concrete steps for implementation of their recommendation except giving a general reply that the recommendation of the Committee have been noted and concern expressed by the Committee have immediately been conveyed to the railways. No mention has been made in the reply regarding measures taken or proposed to be taken for reviewing/scrutinizing their budgetary process and overhauling the procedures regarding estimation of budget so that decretal payments are anticipated well in advance and adequate provision for the same are made at the Original/ Supplementary Grant stage. The fact that the instructions have been issued time and again without achieving any concrete result warrants that some bold and innovative measures are required to be taken by the Ministry of Railways to overcome this perennial problem of excess expenditure over Voted Grants and Charged Appropriations. The Committee express their displeasure over the lackadaisical approach adopted by the Ministry of Railways which smacks of slackness, inefficacious planning, lack of foresight and non/ineffective monitoring on the part of budget controlling authorities while preparing both budget estimates

as well as Supplementary Demands for Grants. The Committee would like to remind the Ministry of Railways about the sanctity of scrupulously following the provisions of General Financial Rules which stipulate that no expenditure should be incurred which might have the effect of exceeding the total Grant or Appropriations authorized by Parliament by law for a financial year except by way of obtaining a Supplementary Grants/Appropriation or an advance from the Contingency Fund of India. The Committee trust that in the larger interest of achieving a sound fiscal health in future, the Ministry of Railways would take suitable steps promptly to ensure scrupulously review/scrutinize the budget estimates at the Supplementary Grant stage itself by factoring in contingencies of unforeseen expenditure that may arise in future so that the excess expenditure is not incurred after obtaining Supplementary Grants.

C. Increasing trend of incurrence of excess expenditure by the Ministry of Railways

(Recommendation Sl. No.10, Para No. 76)

13. The Committee had observed that the excess expenditure incurred under the Grants/Appropriations operated by the Ministry of Railways showed an increasing trend since the year 2001-2002 (Rs. 210.71 crore) to 2003-2004 (Rs. 1136.92 crore). Further, Appropriation No. 3—Working Expense—General Superintendence and Services had been persistently recording excess expenditure from the year 1996-97 onwards, Appropriation No. 7—Working Expenses—Repairs and Maintenance of Plant and Equipment from the year 1999-2000 onwards and Appropriation No.16—Assets—Acquisition, Construction and Replacement—Capital from the year 2000-2001. While deploring this tendency, the Committee in their 10th Report (14th Lok Sabha) had urged the Ministry of Railways to look into the matter and take suitable steps to address the problem of excess expenditure. It was also emphasized that the Ministry should monitor the implementation of the instructions issued by them in this regard with a view to tightening their budgetary control. The Committee were led to the conclusion that the Ministry of Railways had not taken any suitable steps to address this problem of excess expenditure. The Committee had strongly felt that the Ministry must analyse in depth the reasons for this recurring phenomenon with a view to initiate some concrete measures whereby budget estimates are prepared more precisely and the actual expenditure is incurred/contained within the funds authorised by Parliament.

14. In their Action Taken reply, the Ministry of Railways have stated as follows:—

> "As has already been submitted in the ATN on the above quoted report, instructions were issued on 12.03.2004 to the Railways to arrest the trend of excess expenditure. This issue was also taken up in the FA&CAOs' conferences held in March'05 & May '05. Further, consequent to similar observations in other recommendations, a letter has been written to the Railways on 17.02.05 also. It may be appreciated that the present recommendation deals with the excess expenditure for 2003-2004, whereas the action on it has been taken in 2004 and thereafter, hence correction of

the position retrospectively has not been possible. Instructions have further been issued to the Railways on 30.12.05 for curbing the trend of excess expenditure particularly under the charged appropriations, in light of the PAC's latest report on excess expenditure for 2003-2004."

15. Deploring the persistent trend of incurrence of excess expenditure, the Committee in their 10th Report (14th Lok Sabha) had urged the Ministry of Railways to look into the matter and take suitable steps to address the problem of excess expenditure including monitoring the implementation of the instructions issued by them in this regard with a view to tightening their budgetary control. However, to their utter dismay, the Committee note that the Ministry of Railways had merely issued instructions and written letters to Railways to curb the trend of excess expenditure. The reply given by the Ministry of Railways is silent in respect of concrete measures taken or proposed to be taken to eliminate the persistent trend of incurrence of excess expenditure in future. From the Ministry's reply, it is quite apparent that the Railways were just content with issuing instructions and there was no evidence to suggest that the instructions were matched by concrete steps taken to monitor implementation of these instructions in letter and spirit by the field units at the ground level. The Committee reiterate their recommendation that the Ministry must review in-depth the reasons for this recurring phenomenon of excess expenditure with a view to initiate concrete steps, whereby budget estimates are prepared more precisely and the actual expenditure is incurred/contained within the funds authorised by the Parliament.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation

The Committee find that during the year 2003-04, an expenditure of Rs. 43364.62 crore has been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in seven Grants/Appropriations operated by the Civil Ministries/Departments, Rs. 1136.92 crore under nine Grants/ Appropriations pertaining to Ministry of Railways and Rs. 37.50 crore in one Grant operated by the Ministry of Defence. Out of seven cases of excess expenditure incurred under the Grants/Appropriations operated by Civil Ministries/Departments, the Ministry of Finance under Appropriation No. 37—Repayment of Debt alone incurred excess expenditure of Rs. 42182.74 crore which is 97 percent of total excess expenditure incurred during the year under review. Further, under the Grants/ Appropriation operated by the Ministry of Railways, an excess expenditure of more than Rs. 100 crore each was recorded in three cases with Grnat No. 14 taking a lead with an excess of Rs. 681.62 crore followed by excesses of Rs. 239.46 crore under Grant No. 16—Capital and Rs. 132.54 crore under Grant No. 16—Special Railway Safety Fund. It is surprising as to why such a huge excess expenditure to the tune of Rs. 43364.62 crore could not be anticipated. The Committee desire that every Ministry/Department should carefully review their existing mechanism for framing of budget estimates and apply corrective measures, wherever required to make the budgetary exercise more realistic and meaningful in future.

The Committee further note that excess expenditure of Union Government is not only a regular phenomenon but, at the same time has grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. This clearly indicates that situation has been deteriorating despite issuance of elaborate instructions regularly by the Ministry of Finance at the instance of the Public Accounts Committee to contain the excess expenditure to the barest minimum. The Committee are inclined to conclude that the concerned authorities in the Ministries/Departments are not observing prescribed rules for containing the expenditure within the sanctioned provisions.

[Sl. No. 1, Paragraph 67 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Finance, Department of Economic Affairs

Under repayment of Ways and Means Advance, the estimate for Revised Estimate and Final Requirement (FR 2003-04) was furnished by RBI at Rs. 53537.00 crore against BE 2003-04 of Rs. 160000.00 crore. As such, out of balance amount of Rs. 106463.00 crore

[*i.e.* Rs. 16000.00 crore (-) Rs. 53537.00 crore], Rs. 99726.52 crore was re-appropriated from the minor head and Rs. 6736.48 crore was surrendered (copy of surrender/re-appropriation order is enclosed). However, the actual expenditure in respect of repayment of WMA, including OD was Rs. 96615.00 crore against FR of Rs. 53537.00 crore, as a result of which an excess expenditure of **Rs. 43078.00 crore** occurred in respect of WMA/OD alone. **For the excess expenditure under WMA, RBI has now stated that while intimating final requirement in respect of WMA, the figures relating to overdraft (OD) was excluded erroneously and as such the excess was mainly due to non-inclusion of actual recourse to OD during the year.** Had the figures relating to overdraft (OD) not been erroneously omitted by RBI at the time of furnishing final requirement, this Ministry would have obtained necessary supplementary and consequently Rs. 7166.25 crore would have also not been surrendered.

2. It may, however, be mentioned that repayment of WMA/OD are essentially in the nature of repayment of short-term advances taken by GOI from RBI to meet temporary mismatches between receipt and expenditure and are not reckoned as expenditure for purposes of calculation of deficits, except to the extent of interest paid thereon.

3. Efforts will continue to be made to submit the explanatory note to the Audit and finally to the Committee within the time schedule prescribed for the purpose in future.

4. This has been vetted by Audit vide its U.O. No. RR/1-69/2005-06/2638 dated 3.4.2006

Sd/-

(L.M. Vas)

Joint Secretary (Budget)

[Ministry of Finance, Department of Economic Affairs O.M. No. 9(2)-W&M/ 2006 dated 3-5-06]

No. F. 7(1)-W&M/2004
Ministry of Finance
Department of Economic Affairs
Budget Division
(W&M Section)

New Delhi, 31st March, 2004

Subject: Regularisation of Funds under Appropriation No. 37—Repayment of Debt for the year 2003-2004

Sanction of the President is hereby conveyed to the following re-appropriation of funds under the various units of appropriation sanctioned below in the Appropriation "Repayment of Debt" for the year 2003-2004.

(*In thousands of rupees*)

Capital Section		From	To
1		2	3
Major Head, 6001			
6001	**Internal Debt of the Central Government**		
00.114	Ways & Means Advances		
00.00.56	Repayment of borrowings	997265151	
00.101	Market Loans		
00.00.56	Repayment of borrowings		144340000
00.103	Treasury Bills and connected securities issued to RBI		
01.91	Days Treasury Bills		
01.00.56	Repayment of borrowings		159980025
00.110	364 Days Treasury Bills		
00.00.56	Repayment of borrowings		1263600
00.115	14 day intermediate Treasury Bills		
00.00.56	Repayment of borrowings		227900000
00.121	Government Securities issued against NSSF		
00.00.56	Repayment of borrowings		495739700
00.105	Securities Issued to International Financial Institutions		
01.	International Bank for Reconstruction and Dev.		
01.00.56	Repayment of borrowings		333000
02.	International Monetary Fund		
02.00.56	Repayment of borrowings		26006822
00.106	Compensation and Other Bonds		
14.	Voluntary Disclosure of Income & Wealth 5-3/4% Bonds, 1985		7500
14.00.56	Repayment of borrowings		
19.	10% Relief Bonds, 1995		
19.00.56	Repayment of borrowings		26208400
21.12.8%	GOI (Project Export to Iraq) Bonds, 2001		
21.00.56	Repayment of borrowings		29488
	Total-MH 6001		*991808535*

(*In thousands of rupees*)

1		2	3
M.H. 6002 External Debt			
00.209	Loans from the Government of Germany		
00.00.56	Repayment of borrowings		631360
00.208	Loans from the Government of France		
00.00.56	Repayment of borrowings		158706
00.212	Loans from the Government of Italy		
00.00.56	Repayment of borrowings		151090
00.217	Loans from the Government of Japan		
00.00.56	Repayment of borrowings		290890
00 220	Loans from the Government of Netherlands		
00.00.56	Repayment of borrowings		1570268
00.230	Loans from the Government of Russian Federation		
00.00.56	Repayment of borrowings		56569
00.207	Loans from EEC (SAC)		
00.00.56	Repayment of borrowings		2235
00.250	Loans from ADB		
00.00.56	Repayment of borrowings		1341165
00 233	Loans from Government of Sweden		
00.00.56	Repayment of borrowings		59484
00 242	Loans from Government of Australia		
00.00.56	Repayment of borrowings		211671
00.251	Loans from Government of Spain		
00.00.56	Repayment of borrowings		983178
	Total-Major Head "6002"		*5456616*
	Grand Total	*997265151*	*997265151*

2. The re-appropriations are necessitated by the requirements as finally assessed now. The reasons for variations between the sanctioned provisions and the final appropriation will be intimated separately.

3. Secretary (Expenditure)'s approval has been obtained wherever required.

4. Sanction of the President is conveyed to the surrender of the following amounts under the afore-mentioned appropriation.

(*In thousands of rupees*)

Major Head-6001 Internal Debt of the Central Government		
00.114	Ways & Means Advances	
00.00.56	Repayment of borrowings	67364849
00.105	Securities issued to International Financial Institutions	
05	International Fund for Agricultural Development	
05.00.56	Repayment of borrowings	18000
07	African Development Bank	
07.00.56	Repayment of borrowings	600
00.106	Compensation and Other Bonds	

(*In thousands of rupees*)

23.9%	Relief Bonds, 1999	
23.00.56	Repayment of borrowings	321900
	Total-Major Head "6001"	**67765349**
MH 6002 External Debt		
00 202	Loans from the Government of Austria	
00.00.56	Repayment of borrowings	6991
00 203	Loans from the Government of Belgium	
00.00.56	Repayment of borrowings	1370574
00 204	Loans from the Government of Canada	
00.00.56	Repayment of borrowings	205771
00 206	Loans from the Government of Denmark	
00.00.56	Repayment of borrowings	17487
00 218	Loans from Kuwait	
00.00.56	Repayment of borrowings	88591
00 223	Loans from the Government of Switzerland and Swiss Banks	
00.00.56	Repayment of borrowings	212782
00 227	Loans from the Govt. of U.S.A. under PL-480 CLC Credits	
00.00.56	Repayment of borrowings	77572
00 226	Loans from Agency for International Development USA	
00.00.56	Repayment of borrowings	349031
00 228	Other Misc. Loans from the Govt. of U.S.A.	
00.00.56	Repayment of borrowings	11548
00 216	Loans from the I.B.R.D.	
00.00.00	Repayment of borrowings	61706
00 213	Loans from the I.D.A.	
00.00.56	Repayment of borrowings	947939
00 221	Loans from OPEC Special Fund	
00.00.56	Repayment of borrowings	575549
00 224	Loans from Saudi Fund for Development	
00.00.56	Repayment of borrowings	26687
00 214	Loans from IFAD	
00.00.56	Repayment of borrowings	4886
	Total-Major Head "6002"	*3957114*
	Grand Total	*71662463*

Sd/-
(M. Subramanian)
Deputy Director (Budget)
Tel: 23093569

To
The Chief Controllor of Accounts (Finance)
M/o Finance, New Delhi.

Copy forwarded to:

1. Aid Accounts & Audit Division,

FB Division:

2. Shri J.S. Bhatia, US(FB)-in r/o IMF
3. Shri Arun Kumar, DD(FB)-in r/o IFAD
4. Shri Ajay Seth, Director (FB)-in r/o IBRD, IDA
5. ADB Cell (Shri K.S. Palachandran, US)
6. FT Division [Shri L.K. Prasad, US(I-A)]- AFDB
7. Director of Audit, Central Revenues DACR Building, New Delhi-110002.
8. Controller General of Accounts, Lok Nayak Bhawan, Khan Market, New Delhi-3.

Sd/-

(M. Subramanian)
Deputy Director (Budget)

Recommendation

"The Committee find that during the year 2003-04, an expenditure of Rs. 43364.62 crore has been incurred by various Ministries/Departments of Union Government, in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in seven Grants/Appropriations operated by the Civil Ministries/Departments. Rs. 1136.92 crore under nine Grants/ Appropriations pertaining to Ministry of Railways and Rs. 37.50 crore in one Grant operated by the Ministry of Defence. Out of seven cases of excess expenditure incurred under the Grants/Appropriations operated by Civil Ministries/Departments, the Ministry of Finance under Appropriation No. 37—Repayment of Debt alone incurred excess expenditure of Rs. 42182.74 crore which is 97% of total excess expenditure incurred during the year under review. Further, under the Grants/ Appropriations operated by the Ministry of Railways, an excess expenditure of more than Rs. 100 crore each was recorded in these cases with Grant No. 14 taking a lead with an excess of Rs. 681.62 crore followed by excesses of Rs. 239.46 crore under Grant No. 16—Capital and Rs. 132.54 crore under Grant No. 16—Special Railway Safety Fund. It is surprising as to why such a large excess expenditure to the tune of Rs. 43364.62 crore could not be anticipated. The Committee desire that every Ministry/Department should carefully review their existing mechanism for framing of budget estimates and apply corrective measures, wherever required to make the budgetary exercise more realistic and meaningful in future.

The Committee further note that excess expenditure of Union Government is not only a regular phenomenon but, at the same time has grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. This clearly indicates that situation has been deteriorating despite issuance of elaborate instructions regularly by the Ministry of Finance at the instance of the Public Accounts Committee to contain the excess expenditure to the barest minimum. The Committee are inclined to conclude that the concerned authorities in the Ministries/Departments are not observing prescribed rules for containing the expenditure within the sanctioned provisions".

[Sl. No. 1, Paragraph 67 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Home Affairs

It is submitted here that during the financial year 2003-04, an expenditure of Rs. 5.59 lakh was incurred in excess of the authorized budget provision under Revenue Section (Charged) of Grant No. 52—Cabinet.

2. During the financial year 2003-04, after finalisation of the IIIrd and Final Batch of Supplementary Demands for Grants, the Prime Minister's Office, one of the constituents of Cabinet Grant, received a decree from the Court, for the compliance of which an amount of Rs. 9.00 lakh was urgently required by them to make payment as per Court's orders. Since the payment could not be postponed till the next financial year, the Prime Minister's Office took an advance from the 'Contingency Fund of India' for the said amount. Out of this, an amount of Rs. 7.58 lakh was utilized by the Prime Minister's Office and the rest of the amount was surrendered.

3. It is further submitted that since the Lok Sabha was dissolved in February 2004 and the process for IIIrd and Final Batch of Supplementary Demands for Grants (2003-04) was already over, the advance taken from the Contingency Fund of India could not be recouped during the same financial year, as required under the rules. This resulted in excess under Revenue Section (Charged) of the Grant. The final excess was, however, of Rs. 5.59 lakh only due to savings under some other heads of the Grant. An 'Explanatory Note' for this excess was submitted by the Ministry to the Public Accounts Committee, duly vetted by audit (copy enclosed).

4. From above, it may kindly be seen that the excess was due to the reasons beyond the control of the Ministry and hence no laxity on the part of the Ministry be observed in this case.

Sd/-

(N.A. Viswanathan)
Additional Secretary & Financial Adviser (Home)

[Ministry of Home Affairs O.M. No. 28/15/2005-Bgt.I dated 23.01.2006]

(This **'Action Taken Note'** has been vetted by **O/O DGACR** *vide* their U.O. No. RR/6-24/2005-06/425 dated 12th January 2006).

Recommendation

The Committee find that during the year 2003-04, an expenditure of Rs. 43364.62 crore has been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in seven Grants/Appropriations operated by the Civil Ministries/Departments, Rs. 1136.92 crore under nine Grants/ Appropriations pertaining to Ministry of Railways and Rs. 37.50 crore in one Grant operated by the Ministry of Defence. Out of seven cases of excess expenditure incurred under Grants/Appropriations operated by Civil Ministries/Departments, the Ministry of Finance under Appropriations No. 37—Repayment of Debt alone incurred excess expenditure of Rs. 42182.74 crore which is 97 percent of total excess expenditure incurred during the year under review. Further, under the Grants/ Appropriations operated by the Ministry of railways, an excess expenditure of more than Rs. 100 crore each was recorded in three cases with Grant No. 14 taking a lead with an excess of Rs. 681.82 crore followed by excesses of Rs. 239.46 crore under Grant No. 16—Capital and Rs. 132.54 crore under Grant No. 16—Special Railway Safety Fund. It is surprising us to why such a huge excess expenditure to the tune of Rs. 43364.62 crore could not be anticipated. The Committee desire that every Ministry/Department should carefully review their existing mechanism for framing of budget estimates and apply corrective measures, wherever required to make the budgetary exercise more realistic and meaningful in future.

The Committee further note that excess expenditure of Union Government is not only a regular phenomenon but, at the same time has grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. This clearly indicates that situation has been deteriorating despite issuance of elaborate instructions regularly

by the Ministry of Finance at the instance of the Public Accounts Committee to contain the excess expenditure to the barest minimum. The Committee are inclined to conclude that the concerned authorities in the Ministries/Departments are not observing prescribed rules for containing the expenditure within the sanction provisions.

[Sl. No. 1 Paragraph 67 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Department of Information Technology

1. An amount of Rs. 1,00 lakh was reappropriated for projects/schemes for North Eastern Region and Sikkim from Major Head "4552—Capital Outlay on North Eastern Areas" to this functional Head in light of the instruction (Clause 5) of the Govt. of India, Ministry of Finance, Department of Expenditure, Controller General of Accounts, O.M.No. G-25018/CGA-AA/T.S/2003-04/1122 dated 05/03/2004.

2. The excess expenditure in the Capital Section 4859 of **Standardisation Testing and Quality Certification** Directorate was mainly due to inadvertently opening of the letter of credit for importing of Machinery & Equipment by sanctioning funds to the tune of 100% of the available grant instead of 85% without keeping the margin of overhead expenses *i.e.* (currency fluctuations, Bank commissions and freight/ demurrage charges etc.) resulting in excess expenditure.

3. And opening of the Letter of Credit (LC) by the Cheque Drawing DDO's/ Non-Cheque Drawing DDO's directly instead of through Standardisation Testing and Quality Certification Directorate at HQ resulting in lack of proper budgetary control.

4. Reconciliation of expenditure was not done by the DDO's and Standardisation Testing and Quality Certification Hqrs. with PAO, DIT.

5. However, it may be mentioned that there is no overall excess in Grant No. 16. As the Appropriation Accounts for 2003-04 indicates, whereas there is all excess of Rs. 1,28,59,000 in the Capital Section, there is also a saving of Rs. 5,83,15,000 in the Revenue Section.

However, steps have now been taken to keep the amount of Letter of Credit (LC) within the available grant by sanctioning the expenditure below the available funds and to keep margin for overhead expenses *i.e.* (currency fluctuations, Bank commissions and freight/demurrage charges etc.) on import of Machinery & Equipment under Capital Outlay.

The Cheque Drawing DDO's/Non-Cheque Drawing DDO's have been directed **not to open the Letter of Credit (LC) for import of Machinery & Equipment** directly and the LC will be opened at STQC Hqrs. All the Cheque Drawing DDO's/Non-Cheque Drawing DDO's have also been directed to reconcile their expenditure regularly with Pay & Accounts Office to avoid recurrence of such lapses in future.

Recommendation

The Committee find that during the year 2003-04, an expenditure of Rs. 43364.62 crore has been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in even Grants/Appropriations operated by the Civil Ministries/Departments, Rs. 1136.92 crore under nine Grants/Appropriations pertaining to Ministry of Railways and Rs. 37.50 crore in one Grant operated by the Ministry of Defence. Out of seven cases of excess expenditure incurred under Grants/ Appropriations operated by Civil Ministries/Departments, the Ministry of Finance under Appropriations No. 37—Repayment of Debt alone incurred excess expenditure of Rs. 42182.74 crore which is 97 per cent of total excess expenditure incurred during the year under review. Further, under the Grants/Appropriations operated by the Ministry of railways, an excess expenditure of more than Rs. 100 crore each was recorded in three cases with Grant No. 14 taking a lead with an excess of Rs. 681.82 crore followed by excesses of Rs. 239.46 crore under Grant No. 16—Capital and Rs. 132.54 crore under Grant No. 16—Special Railway Safety Fund. It is surprising to why such a huge excess expenditure to the tune of Rs. 43364.62 crore could not be anticipated. The Committee desire that every Ministry/Department should carefully review their existing mechanism for framing of budget estimates and apply corrective measures, wherever required to make the budgetary exercise more realistic and meaningful in future.

The Committee further note that excess expenditure of Union Government is not only a regular phenomenon but, at the same time has grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. This clearly indicates that situation has been deteriorating despite issuance of elaborate instructions regularly by the Ministry of Finance at the instance of the Public Accounts Committee to contain the excess expenditure to the barest minimum. The Committee are inclined to conclude that the concerned authorities in the Ministries/Departments are not observing prescribed rules for containing the expenditure within the sanction provisions.

[Sl. No. 1 Paragraph 67 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Communication and Information Technology Department of Telecommunication

Due care is taken to ensure that the budget estimates are realistic and to the extent possible reflect the actual requirement. However, there was an excess of Rs. 3.98 crore *i.e.* 0.1% of the total provision under revenue section mainly due to payment of pensionary benefits at Industrial Dearness Allowance (IDA) pay-scale to the employees absorbed in BSNL, settlement of more claims received from service providers for payment under USO and procurement of new equipments by C-DoT for Operation Support System Converged solution for fixed and mobile networks.

This issues with the approval of Member(F).

Sd/-

(Annie Moraes)
DDG(FEB)

File No.1-4/2006-B

Dated 9.3.2006

The Para No. 67 has been vetted by Audit *vide* DGAP&T U.D. No Rep. VI/1(4). 6 APP. A/cs/2003-04/2 dt. 5-4-2006 with the remarks seen "Thanks"

Sd/-

19.4.06

ADG(AC)

Recommendation

The Committee find that during the year 2003-2004, an expenditure of Rs. 43364.62 crore has been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in seven Grants/Appropriations operated by the Civil Ministries/Departments. Rs. 1136.92 crore under nine Grants/ Appropriations pertaining to Ministry of Railways and Rs. 37.50 crore in one Grant operated by the Ministry of Defence. Out of seven cases of excess expenditure incurred under the Grants/Appropriations operated by Civil Ministries/Departments, the Ministry of Finance under Appropriation No. 37—Repayment of Debt alone incurred excess expenditure of Rs. 42182.74 crore which is 97 per cent of total excess expenditure incurred during the year under review. Further, under the Grants/ Appropriations operated by the Ministry of Railways, an excess expenditure of more than Rs. 100 crore each was recorded in three cases with Grant No. 14 taking a lead with an excess of Rs. 681.62 crore followed by excesses of Rs. 239.46 crore under Grant No. 16—Capital and Rs. 132.54 crore under Grant No. 16—Special Railway Safety Fund. It is surprising as to why such a huge excess expenditure to the tune of Rs. 43364.62 crore could not be anticipated. The Committee desire that every Ministry/Department should carefully review their existing mechanism for framing of budget estimates and apply corrective measures, wherever required to make the budgetary exercise more realistic and meaningful in future.

The Committee further note that excess expenditure of Union Government is not only a regular phenomenon but at the same time has grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. This clearly indicates that situation has been deteriorating despite issuance of elaborate instructions regularly by the Ministry of Finance at the instance of the Public Accounts Committee to contain the excess expenditure to the barest minimum. The Committee are inclined to conclude that the concerned authorities in the Ministry/Departments are not observing prescribed rules for containing the expenditure within the sanctioned provisions.

[Sl. No. 1, Paragraph 67 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Development of North Eastern Region

The Para relates to expenditure incurred during 2003-04 in Capital Section (Voted), relating to various items of expenditure including many of the NEC projects, equity to Sikkim Mining Corporation, Loan to the North Eastern Handicrafts and Handlooms Development Corporation (NEHHDC), Non-Lapsable Central Pool of Resources (NLCPR) assistance by way of Grant to the eight North Eastern States and NEC assistance by way of Grant to the eight North Eastern States. Under Capital Section (Voted) of the Budget of DONER during 2003-04, the original provision in respect of the above schemes was Rs. 70,20,00 thousand. Subsequently, a supplementary grant of Rs. 100 thousand was obtained for loan to NEHHDC making the total budget provision of Rs. 70,21,00 thousand. Against this, the net expenditure on the various schemes/projects was Rs. 70,32,95 thousand resulting in a net excess expenditure of Rs. 11,95 thousand. The position is summarized below:—

CAPITAL SECTION (VOTED)

	(Rupees in thousands)
Original Grant	Rs. 70,20,00
Supplementary Grant	Rs. 100
Total Grant	Rs. 70,21,00
Actual Expenditure	Rs. 70,32,95
Excess	Rs. 11,95

The sub-heads under which the excess expenditure (in respect of major schemes/ projects of Rs. 5 lakh and above) was incurred and reasons thereof are given below:—

(i) Major Head "4552"

Capital Outlay on North Eastern Areas (Voted)

4552.00.202—Civil Aviation

4552.00.202.01—Support for improvement of Airport in North Eastern Region.

	(Rs. in Lakh)
Original Grant	Rs. 450.00
Supplementary Grant	Nil
Total Grant	Rs. 450.00
Actual Expenditure	Rs. 737.75
Excess	Rs. 287.75

North Eastern Council (NEC) had to incur additional expenditure on account of its committed liability towards Airport Authority of India for strengthening airports in the North Eastern Region, resulting in excess expenditure of Rs. 287.75 lakh. In accordance with powers delegated to Secretaries of Ministries/Departments *vide* D.O. letter No. 2(66)-B(CDN)/2001 dated the 12th June 2001 (Copy at **Appendix-I**), additional funds to the extent of Rs. 287.75 lakh were made available under this budget head through re-appropriation, out of savings available within the Grant. Hence the excess expenditure had the sanction under the delegated powers.

(ii) Major Head "4552"

Capital Outlay on North Eastern Areas (Voted)

4552.00.210—Medical and Public Health

4552.00.210.01—Regional Institute of Medical Science, Imphal

	(Rs. in Lakh)
Original Grant	Rs. 100.00
Supplementary	Nil
Total Grant	Rs. 100.00
Actual Expenditure	Rs. 200.00
Excess	Rs. 100.00

North Eastern Council (NEC) had to meet additional requirement of funds for improving facilities of hostels, tackling water logging and provision of certain equipments resulting in excess expenditure of Rs. 100.00 lakh. In accordance with powers delegated to Secretaries of Ministries/Departments *vide* D.O. letter No. 2(66)-B(CDN)/2001 dated the 12th June 2001 (Copy at **Appendix-I**), additional funds to the extent of Rs. 100.00 lakh were made available under this budget head through re-appropriation, out of savings available within the Grant. Hence the excess expenditure had the sanction under the delegated powers.

(iii) Major Head "4552"

Capital Outlay on North Eastern Areas (Voted)

4552.00.800—Other expenditure

4552.00.800.03—Housing for North Eastern Council Staff/North Eastern Council Guest House

	(Rs. in Lakh)
Original Grant	Rs. 200.00
Supplementary	Nil
Total Grant	Rs. 200.00
Actual Expenditure	Rs. 1112.25
Excess	Rs. 912.25

North Eastern Council had to meet additional requirement of funds for North Eastern Council Staff quarters/North Eastern Council Guest House, resulting in excess expenditure of Rs. 9,12.25 lakh. In accordance with powers delegated to Secretaries of Ministries/Departments *vide* D.O. letter No. 2(66)-B(CDN)/2001 dated the 12th June 2001 (Copy at **Appendix-I**), additional funds to the extent of Rs. 912.25 lakh were made available under this budget head through re-appropriation, out of savings available within the Grant. Hence the excess expenditure had the sanction under the delegated powers.

Remedial Action Taken

Instructions have been issued time to time to restrict the expenditure up to the budget provision and not to incur excess expenditure. These have been reiterated issued by the AS & FA (Home and DONER) in November, 2004 *vide* F. No. 10/34/2004-Bgt.I dated 3.11.2004 (copy enclosed) [**Appendix-II**].

This has been vetted by Audit *vide* their U.O. No. RR/6-28/05-06/582 dated 10/3/06.

Sd/-

(Hari Krishna)
Joint Secretary to the Government of India
31.3.06

[Ministry of Development of North Eastern Region OM No. 3/7/2005-DONER dated 31.3.2006]

Recommendation

The Committee find that during the year 2003-04, an expenditure of Rs. 43364.62 crore has been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in seven Grants/Appropriations operated by the Civil Ministries/Departments, Rs. 1136.92 crore under nine Grants/Appropriations pertaining to Ministry of Railways and Rs. 37.50 crore in one Grant operated by the Ministry of Defence. Out of seven cases of excess expenditure incurred under the Grants/Appropriations operated by Civil Ministries/Departments, the Ministry of Finance under Appropriation No. 37—Repayment of Debt alone incurred excess expenditure of Rs. 42182.74 crore which is 97 per cent of total excess expenditure incurred during the year under review. Further, under the Grants/Appropriations operated by the Ministry of Railways, an excess expenditure of more than Rs. 100 crore each was recorded in three cases with Grant No. 14—Taking a lead with an excess of Rs. 681.62 crore followed by excess of Rs. 239.46 crore under Grant No. 16—Capital and Rs. 132.54 crore under Grant No. 16—Special Railway Safety Fund. It is surprising as to why such a huge excess expenditure to the tune of Rs. 43364.62 crore could not be anticipated. The Committee desire that every Ministry/Department should carefully review their existing mechanism for framing of

budget estimates and apply corrective measures, wherever required to make the budgetary exercise more realistic and meaningful in future.

The Committee further note that excess expenditure of Union Government is not only a regular phenomenon but, at the same time has grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. This clearly indicates that situation has been deteriorating despite issuance of elaborate instructions regularly by the Ministry of Finance at the instance of the Public Accounts Committee to contain the excess expenditure to the bearest minimum. The Committee are inclined to conclude that the concerned authorities in the Ministries/Departments are not observing prescribed rules for containing the expenditure within the sanctioned provisions.

[Sl. No. 1, Paragraph 67 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Personnel, Public Grievances & Pensions

Excess expenditure of Rs. 0.02 crore had been incurred under Plan Capital (voted) section of Grant No. 67—Ministry of Personnel, Public Grievances & Pensions for the year 2003-04.

2. The excess expenditure relates to the major works-construction and infrastructural developments of the Lal Bahadur Shastri National Academy of Administration, Mussoorie.

3. The excess had been incurred by the CPWD in carrying out the works, who had incurred excess expenditure than the amount authorized to them by this Ministry due to increase in the rate of building material etc.

4. The excess expenditure was reported only at the close of the financial year and the same could not be regularized by way of supplementary grant due to the dissolution of the Lok Sabha before the end of the financial year, which was beyond the control of this Ministry.

5. However, the observation/recommendation of the Committee has been noted for strict compliance in future.

6. The concerned authorities of the Ministry have been advised to ensure strict compliance of the prescribed rules for containing the expenditure within the sanctioned provisions. A copy of this Ministry's O.M. No.H. 11013/2/2006-Budget dated 1st February, 2006 is enclosed as *Annexure-I.*

7. In view of the above, it is requested that the above para standing against this Ministry may kindly be dropped.

Sd/-

(R. Ramanujam)
Joint Secretary (AT&A)

[Ministry of Personnel, Public Grievances & Pensions Department of Personnel and Training O.M. No.H. 11013/2/2006-Budget dated the June, 2006 This has been vetted by Audit *vide* its U.O. No. RR-II/40-1/2006-07/560 dated 29th May, 2006]

Recommendation

The Committee find that during the year 2003-04, an expenditure of Rs. 43364.62 crore has been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in seven Grants/ Appropriations operated by the Civil Ministries/Departments, Rs. 1136.92 crore under nine Grants/Appropriations pertaining to Ministry of Railways and Rs. 37.50 crore in one Grant operated by the Ministry of Defence. Out of seven cases of excess expenditure incurred under the Grants/Appropriations operated by Civil Ministries/Departments, the Ministry of Finance under Appropriation No. 37-Repayment of Debt alone incurred excess expenditure of Rs. 42182.74 crore which is 97 per cent of total excess expenditure incurred during the year under review. Further, under the Grants/Appropriations operated by the Ministry of Railways, an excess expenditure of more than Rs. 100 crore each was recorded in three cases with Grant No. 14 taking a lead with an excess of Rs. 681.62 crore followed by excesses of Rs. 239.46 crore under Grant No. 16—Capital and Rs. 132.54 crore under Grant No. 16—Special Railway Safety Fund. It is surprising as to why such a huge excess expenditure to the tune of Rs. 43364.62 crore could not be anticipated. The Committee desire that every Ministry/Department should carefully review their existing mechanism for framing of budget estimates and apply corrective measures, wherever required to make the budgetary exercise more realistic and meaningful in future.

The Committee further note that excess expenditure of Union Government is not only a regular phenomenon but, at the same time has grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. This clearly indicates that situation has been deteriorating despite issuance of elaborate instructions regularly by the Ministry of Finance at the instate of the Public Accounts Committee to contain the excess expenditure to the barest minimum. The Committee are inclined to conclude that the concerned authorities in the Ministry/Departments are not observing perscribed rules for containing the expenditure within the sanctioned provisions.

[Sl. No. 1, Paragraph 67 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)

Action Taken by the Ministry of Defence

This para relates to excess of expenditure incurred by various Ministries/ Departments of Union Government which *inter alia* includes Rs. 37.50 crores in one Grant operated by Ministry of Defence. Action Taken Note thereon has been furnished in Para 72 of this Report.

Sd/-

(Amit Cowshish)
Addl. FA(A) &JS

[File No. 10(9)/B-I/2005]

Recommendation

The Committee find that during the year 2003-04, an expenditure of Rs. 43364.62 crore has been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 17 Grants/Appropriations. There was an excess expenditure of Rs. 42190.20 crore in seven Grants/ Appropriations operated by the civil Ministries/Departments, Rs. 1136.92 cr. under nine Grants/Appropriations pertaining to Ministry of Railways and Rs. 37.50 crore in one Grant operated by the Ministry of Defence. Out of seven cases of excess expenditure incurred under the Grants/Appropriations operated by Civil Ministries/ Deaprtments, the Ministry of Finance under Appropriation No. 27—Repayment of debt alone incurred excess expenditure of Rs. 42182.74 crore which is 97 per cent of total excess expenditure incurred during the year under review. Further, under the Grants/Appropriations operated by the Ministry of Railways, an excess expenditure of more than Rs. 100 crore each was recorded in three cases with Grant No. 14 taking a lead with an excess of Rs. 681.62 crore followed by excesses of Rs. 239.46 crore under Grant No. 16—Capital and Rs. 132.54 crore under Grant No. 16—Special Railway Safety Fund. It is surprising as to why such a huge excess expenditure to the tune of Rs. 43364.62 crore could not be anticipated. The Committee desire that every Ministry/Department should carefully review their existing mechanism for framing of budget estimates and apply corrective measures, wherever requires to make the budgetary exercise more realistic and meaningful in future.

The Committee further note that excess expenditure of Union Government is not only a regular phenomenon but, at the same time has grown up from Rs. 57.36 crore in 1999-2000 to a staggering Rs. 43364.62 crore in 2003-04. This clearly indicates that situation has been deterioating despite issuance of elaborate instructions regularly by the Ministry of Finance at the instance of the Public Accounts Committee to contain the excess expenditure to the barest minimum. The Committee are inclined to conclude that the concerned authorities in the Ministries/Departments are not observing prescribed rules for containing the expenditure within the sanctioned provisions.

[Sl. No. 1, Paragraph 67 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha]

Action Taken by the Ministry of Railways

The Para deals with excess expenditure incurred in 2003-04 in various ministries/ departments of the Union Government as a whole. On Railways, the major excess has been incurred in Demand No. 14 (Rs. 682 cr.) and Demand No. 16—Capital (Rs. 239 cr.) & Special Railway Safety Fund (Rs. 133 cr.).

The excess under Demand No. 14 has occurred mainly due to generation of higher internal resources than were anticipated, enabling higher appropriation to Railway Funds. The excess incurred here under is only technical in nature as no real expenditure is involved in this case. In Demand No. 16, the excess has occurred due to accelerated progress of certain works.

Expenditure under the Special Railway Safety Fund incurred on replacement and renewal of assets has been more, since there was greater emphasis on these works due to safety consideration.

Sd/-

(Sabita Gopal)
Adviser (Finance)
Railway Board

[Ministry of Railways O.M. No. 2005-BC-PAC/XIV/21 dated 30-06-2006]

Recommendation

What is stil more disconcerting is the fact that the excess expenditure of Rs. 43364.62 crore during the year 2003-04 had occurred despite obtaining the Supplementary provisions of Rs. 25899.77 crore in 18 cases of excess registering Grants/Appropriations. It is also evident that under Appropriation No. 37—Repayment of Debt, the excess expenditure incurred is much higher than the amount obtained as supplementary provision. Considering the fact that Suplementary funds in most of these cases were obtained in February, 2004, when the Ministries are in a position to estimate actual requirements of funds, the Committee find no plausible explanations for incurring substantial excess expenditure under these Grants or Appropriations. The Committee can not but over emphasizes the need to exercise optimum care by the concerned Ministries/Departments in assessing their requirements of funds.

[Sl. No. 2, Paragraph 68 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Finance, Department of Economic Affairs

The original provision (*i.e.* BE 2003-04) under Appropriation No. 37—Repayment of Debt was Rs. 367078.53 crore. RBI had furnished estimates for RE (2003-04) in respect of Treasury Bills and Ways and Means Advances (WMA) *vide* their letter dated 2.1.2004 (copy enclosed). Subsequently estimates for Final Requirement (FR) in respect of Treasury Bills & WMA and External Debt were received from RBI and Office of the CAA&A *vide* their letters dated 17.2.2004 and 12.3.2004 respectively (copies enclosed). After taking into account the Revised Estimates and Final Requirement, the original provision of Rs. 367078.53 crore was augmented to Rs. 388780.32 crore by obtaining supplementary Grant of Rs. 21701.79 crore. On the basis of above estimates for final requirement, the saving of Rs. 7166.25 crore (*i.e.* Rs. 6770.54 crore under Internal Debt and Rs. 395.71 crore under External Debt) was surrendered at the time of finalization of Final Requirement for 2003-04. However, against final appropriation of Rs. 388780.32 crore, the actual expenditure was Rs. 430963.06 crore, which resulted into an excess expenditure of Rs. 42182.74 crore. This excess was the net result of total excess of Rs. 106101.46 crore and total saving of Rs. 63918.72 crore under various sub-heads of the Appropriation. **The excess expenditure was mainly under WMA, which was not intimated by RBI at the time of surrender.** Under WMA, the revised estimates and final requirement as intimated by RBI was Rs. 53,537 crore against BE 2003-04 of Rs. 160000.00 crore. As such, out

of balance amount of Rs. 106463.00 crore [*i.e.* Rs. 160000.00 crore (-) Rs. 53537.00 crore], Rs. 99726.52 crore was re-appropriated from the minor head and Rs. 6736.48 crore was surrendered (copy of surrender/re-appropriation order is enclosed). However, the actual expenditure was Rs. 96615.00 crore against FR of Rs. 53537.00 crore, as a result which an excess expenditure of Rs. 43078.00 crore occurred under WMA alone. **For the excess expenditure under WMA, RBI has now stated that while intimating final requirement in respect of WMA, the figures relating to overdraft (OD) was excluded erroneously and as such the excess was mainly due to non-inclusion of actual recourse to OD during the year.**

2. It may also merit mention that the net expenditure under the Appropriation 'Repayment of Debt' is Nil and as such excess expenditure under Repayment of Debt cannot be treated as excess expenditure as it is netted against repayment of borrowings, consequently developmental activities are not affected.

3. However, efforts will continue to be made to submit the explanatory note to the Audit and finally to the Committee within the time schedule prescribed for the purpose in future.

4. This has been vetted by Audit *vide* its U.O.No. RR/1-69/2005-06/2638 dated 3.4.2006

Sd/-

(L.M. Vas)

Joint Secretary (Budget)

[Ministry of Finance, Department of Economic Affairs O.M. No. 9(2)-W&M/ 2006 dated 3-5-06]

तार / TELEGRAMS "RESERVE BANK"

भारतीय रिज़र्व बैंक

पोस्ट बॉक्स / POST BOX 10007

फोन / Phone 2661002/04
टेलेक्स / Telex 011-2455 011-2318
फैक्स / FAX 022-2659610 022-2644168

केन्द्रीय कार्यालय,
आंतरिक ऋण प्रबंध कक्ष,
केन्द्रीय कार्यालय भवन,
मुम्बई-सं॰ 400 001.

RESERVE BANK OF INDIA
CENTRAL OFFICE,
INTERNAL DEBT MANAGEMENT CELL,
CENTRAL OFFICE BUILDING,
MUMBAI-400 001.

IDMD. 3028/10.01.05/2003-04 January 2, 2004

Shri V. S. Chauhan
Deputy Secretary (Budget)
Government of India
Ministry of Finance and Company Affairs
Department of Economic Affairs
New Delhi-110 001

Discharges and Discount/Interest on Treasury Bills and Ways and Means Advances of Central Government—Revised Estimate 2003-04 and Budget Estimate 2004-05.

Dear Sir,

Please refer to your letter F.No. 7(19)-W&M/2003 dated December 2, 2002 on the captioned subject.

As desired, the revised estimates for 2003-04 and budget estimates for 2004-05 of discharges/discount and interest on Treasury Bills and Ways and Means Advances by Central Government is enclosed as Annex. I.

With regards,

Yours faithfully

Sd/-

(V.K. Srivastava)
Research Officer

Annex. I

Summary Position of Discharge/Repayments

(Rs. crore)

Sr. No.	Item	2003-04 BE	2003-04 RE	2004-05 BE
1.	91 days Auction T-Bills	23,276	39,274	29,000
2.	364 days Auction T-Bills	26,000	26,126	26,000
3.	14 days Intermediate T-Bills	1,10,922	1,41,034	1,41,000
4.	Ways and Means advances	1,60,000	53,537	55,000
	Total	3,20,198	2,59,971	2,51,000

तार TELEGRAMS "RESERVE BANK"

भारतीय रिज़र्व बैंक

पोस्ट बॉक्स 10007 POST BOX

फोन Phone 2661602/04
टेलेक्स 011-2455 Telex 011-2318
फैक्स 022-2659610 FAX 022-2644158

केन्द्रीय कार्यालय,
आंतरिक ऋण प्रबंध कक्ष,
केन्द्रीय कार्यालय भवन,
मुम्बई-सं॰ 400 001.

RESERVE BANK OF INDIA
CENTRAL OFFICE,
INTERNAL DEBT MANAGEMENT CELL,
CENTRAL OFFICE BUILDING,
MUMBAI-400 001.

IDMD. 3877/10.01.11/2003-04 February 17, 2004

Shri V. S. Chauhan
Deputy Secretary (Budget)
Government of India
Ministry of Finance
Department of Economic Affairs (Budget Division)
North Block
New Delhi-110 001

Dear Sir

Estimates of Discharges and Discount/Interest on Treasury Bills and Ways and Means Advances (WMA) and Special Securities of Central Government—Final Requirement 2003-04

Please refer to your letter D.O. 7(1) W&M/2004 dated February 16, 2004 on the captioned subject.

As desired, the estimates have been revised taking into account the actual data for the period April 2003-January 2004 while projections are made for the period February-March 2004. The estimates are enclosed as Annex. I & II.

Yours faithfully,

Sd/-

(A.K. Mitra)
Assistant Adviser

Annex. I

Summary Position of Discharge/Repayments

(Rs. crore)

Sl. No.	Item	2003-04 BE	2003-04 RE	2003-04 FR
1.	91 days Auction T-Bills	23,276	39,274	39,274
2.	364 days Auction T-Bills	26,000	26,126	26,126
3.	14 days Intermediate T-Bills	1,10,922	1,41,034	1,33,712
4.	Ways and Means advances	1,60,000	53,537	53,537
	Total	3,20,198	2,59,971	2,52,649

FR: Final Requirement

Annex. II

Summary Position of Discount/Interest

(Rs. crore)

Sl. No.	Item	2003-04 BE	2003-04 RE	2003-04 FR
1.	91 days Auction T-Bills	310	422	413
2.	364 days Auction T-Bills	1,344	1,151	1,159
3.	14 days Intermediate T-Bills	160	196	190
4.	Special Securities	2,845	1,757	1,757
5.	Ways and Means advances	320	204	204
	Total	4,979	3,730	3,723

FR: Final Requirement

Annexure

Grand No. 37—Repayment of Debt during 2003-04

(*Rs. in thousands*)

Major Head 6001	Original Provision	Supple-mentary	Total Provision	Actual Expenditure	Saving (-)	Excess (+)
00.101-Market Loans	326934900	0	FALSE	470737561		470737561
00.103.01-91 days Treasury Bills	232760000	0	232760000	392740025		159980025
00.110-364 days Treasury Bills	260000000	0	260000000	261283600	0	1263600
00.112-10% Relief Bonds, 1993	5000	0	5000	1564	-3436	
00.114-Ways and Means Advances	1600000000	0	1600000000	966150000	-633850000	
00.115-14 days Treasury Bills	1109220000	0	1109220000	1431553500		322333500
00.121-Special Central Government Securities issued against outstanding balances of small savings on 31-3-1999		60283100	0 60283100	462111500		401828400
00.105.01-International Bank of Reconstruction and Development	532000	0	532000	885000	0	333000
00.105.02-International Monetary Fund	0	0	0	26006823		26006823
00.105.05-International Fund for Agril. Dev	210000	0	210000	191975	-18025	
00.105.06-African Dev. Fund	35300	0	35300	35295	-5	
00.105.07-African Dev. Bank	8300	0	8300	7836	-464	
00.106.05-Special Bearer Bonds	10000	0	10000	7476	-2524	
00.106.07-7 Years National Rural Dev. Bonds	2500	0	2500	48	-2452	
00.106.08-7% Capital Investment Bonds	5000	0	5000	179	-4821	
00.106.09-National Rural Dev. Bonds-2nd Issue.	2500	0	2500	148	-2352	
00.106.14-Voluntary Disclosure of Income and Wealth 5-3/4% Bonds, 1995	2500	0	2500	119	-2381	
00.106.15-9% Relief Bonds, 1987	100000	0	100000	12351	-87649	
00.106.18-9% Relief Bonds, 1993	75000	0	75000	66323	-8677	
00.106.19-10% Relief Bonds, 1995	36968200	0	36968200	35954143	-1014057	
00.106.21-12.08% GOI Compensation (Project to Iraq)	0	0	0	1200		1200
00.106.23-9% Relief Bonds, 1999	5548800	0	5548800	5327645	-221155	
00.106.26-11.40% GOI' Compensation (Project Exports to Iraq) Bonds, 2003	2157500	0	2157500	2156590	-910	
Total Major Head 6001	3574577500	60283100	3634860600	4055190901	-635218908	1382484109

Major Head 6001	Original Provision	Supple-mentary	Total Provision	Actual Expenditure	Saving (-)	Excess (+)
00.202-Loans from Govt. of Austria	114176	1311973	1426149	1419158	-6991	
00.203-Loans from Govt. of Belgium	238305	1411403	1649708	279134	-137054	
00.204-Loans from Govt. of Canada	623845	4245516	14869361	14663590	-205771	
00.205-Loans from Govt. of Check. and Slovak	42771	0	42771	42771	0	0
00.206-Loans from the Govt. of Denmark	300895	3835770	4136665	4119179	-17486	
00.207-Loans from EEC(SAC)	58127	0	58127	60362		2235
00.207-Loans from Govt. of France	1967171	93664	2060835	2219876		159041
00.209-Loans from Govt. of Germany	4691603	0	4691603	5322963		631360
00.212-Loans from Govt. of Italy	898703	3654226	4552929	4704019		151090
00.213-Loans from the International Dev. Association	25221170	0	25221170	24266248	-954922	
00.214-Loans from IFAD	326543	0	326543	321657	-4886	
00.216-Loans from the International Bank for Reconstruction and Development	23612824	54807564	78420388	78357895	-62493	
00.217-Loans from Govt. of Japan	18810286	3361118	22171404	22470718		299314
00.218-Loans from Kuwait	1349471	0	1349471	1260880	-88591	
00.220-Loans from Govt. of Netherlands	2111647	19589550	21701197	23271465		1570268
00.221-Loans from OPEC Special Fund	199949	561832	761781	186232	-575549	
00.223-Loans from Govt. of Switzerland & Swiss Banks	373726	0	373726	160944	-212782	
00.224-Loans from Saudi Fund for Development	342947	0	342947	316260	-26687	
00.226-Loans from the Agency for International Development, U.S.A.	4871718	0	4871718	4520884	-350834	
00.227-Loans from USA under PL.480	1080369	0	1040369	962767	-77572	
00.228-Other Misc. Loans from Govt. of USA.	173370	0	173370	160204	-13166	
00.230-Loans from Govt. of Russian Federation	2397188	0	2397188	2453756		56568
00.233-Loans from Govt. of Sweden	1846013	3261364	5107377	5166861		59484
00.242-Loans from Govt. of Australia	79929	0	79929	291600		211671
00.250-Loans from ADB	4317242	50600820	54918062	50259227		1341165
00.251-Loans from Govt. of Spain	197812	0	197812	1180990		983178
Total-Major Head 6002	96207800	156734800	252942600	254439670	-3968304	5465374
Total Appropriation	3670785300	217017900	3887803200	4309630571	-639187212	1387949483
Total Net Excess					421827371	

No. AAAD/Coord/.G(4)2003-2004
Government of India
Ministry of Finance
Department of Economic Affairs
O/o the Controller of Aid Accounts & Audit
5th Floor, B-Wing Janpath Bhavan, Janpath

New Delhi, the 12th March, 2004.

Subject: External Debt. Final Requirement in 2003-2004 under (i) Appropriation No. 37 Repayment of Debt (ii) Appropriation No. 29 Payments of Interest/Commitment Charge and (iii) Premium under MH-2048 etc.

Please refer to your OM No. F.No.7(I) W&M/2004 dated 9th March, 2004 and received in this office on 12-03-2004 on the subject mentioned above. The Final Requirement for Repayment of Debt (Appropriation No. 37) Payment of Interest Commitment Charge (Appropriation No. 29) and premium under MH-2048 in respect of External Debt for the year 2003-2004 are indicating in the enclosed statements.

Budget Division is requested to issue necessary re-appropriation orders.

(Ravish Chander)
Dy. CAA&A

1. Shri M. Subramanian, Dy. Director, (Budget, Budget Division), Appropriation No.37. Repayment of Debt.
2. Shri Uthaya Kumar, SO (Accounts) Budget Division, Appropriation No. 29. Interest-Payment.

(Ravish Chander)
Dy. CAA&A

Appropriation No. 37

Major Head 6002—Repayment of Principal

Reasons for variation between BE 2003-2004 and FR 2003-2004 (*Rs. in thousands)*

Sl. No.	Country/ Institutions	Unit of Appropriation	BE 2003-2004	RE 2003-2004	FR 2003-2004	Saving	Excess	Reason for variation between BE 2003-2004 and FR 2003-2004
1	2	3	4	5	6	7	8	9
1.	Austria	00.202 00.00.56	114176	1426149	1419158		1304982	Excess due to Exchange Rate variation & prepayment
2.	Australia	00.242 00.00.56	79929	291651	291600		211671	Excess due to Prepayment
3.	ADB	00.250 00.00.56	4317242	54913062	56259227		51941985	Excess due to Revaluation of PMCL Loans & Prepayment
4.	Belgium	00.203 00.00.56	238305	1649703	279134		40829	Excess due to Exchange Rate variation
5.	Canada	00.204 00.00.56	623845	14869361	14663590		14039745	Excess due to Exchange Rate variation & prepayment
6.	Czech & Slovak	00.205 00.00.56	42771	42771	42771			
7.	Denmark	00.206 00.00.56	300895	4136665	4119178		3818283	Excess due to Exchange Rate variation & prepayment
8.	EEC-(SAC)	00.206 00.00.56	58127	60386	60362		2235	Excess due to Exchange Rate variation
9.	France	00.208	1967171	2148238	2219541		252370	Excess due to Exchange Fluctuation
10.	Germany	00.00.56	4691603	5150938	5322968		631360	Excess due to Exchange Fluctuation
11.	Italy	00.212 00.00.56	898703	4552929	4704019		3805316	Excess due to prepayment
12.	IDA	00.213 00.00.56	25221170	24243428	24273231	947939		Saving due to Exchange Fluctuation
13.	IBRD	00.216 00.00.56	23612824	78420388	78358682		54745858	Due to prepayment of CPL Loan in Nov. 03 & Exchange Fluctuation

Sl. No.	Country Institutions	Unit of Appropriation	BE 2003-2004	RE 2003-2004	FR 2003-2004	Saving	Excess	Reason for variation between BE 2003-2004 and FR 2003-2004
1	2	3	4	5	6	7	8	9
14.	IFED	00.214 00.00.56	326543	322118	321657	4886		Due to Exchange Fluctuation between SDR-USD
15.	Japan	00.217 00.00.56	18810286	2217140	22462294		3652008	Excess due to prepayment of Loan No. 1DP-42
16.	Kuwait Fund	00.218 00.00.56	1349471	1260880	1260880	88591		Savings due to Exchange Fluctuation
17.	Netherlands	00.220 00.00.56	2111647	21701197	23271465		21159818	Excess due to prepayment
18.	OPEC	00.221 00.00.56	199949	761781	186232	13717		Saving due to Prepayment did not Materialise
19.	Switzerland	00.223 00.00.56	373728	177271	160944	212782		Saving due to Prepayment of Loan SCGL023 did not Materialise
20.	Saudi Fund	00.224 00.00.56	342947	316260	316260	26687		Saving due to Exchange Fluctuation
21.	Spain	00.250 00.00.56	197798	1180750	1180990	983192		Excess due to prepayment
22.	Sweden	00.233 00.00.56	1846013	5107425	5166861		3320848	Excess due to prepayment
23.	UEA	00.226	4871718	4510639	4522687	349031		Saving due to Exchange Fluctuation
	(a) Aid Loans	00.00.56						
	(b) PL-480-CCC	00.227 00.00.56	1040369	967172	962797	77572		Saving due to Exchange Fluctuation
	(c) SRP	00.228	173370	162487	161822	11548		Saving due to Exchange Fluctuation
24.	Russain Fed.	00.230 00.00.56	2397188	2392589	2453757		56569	Saving due to Exchange Fluctuation
	Total		96207786	252942649	254442101	1732753	159967069	

No. F.7(1)-W&M/2004
Ministry of Finance
Department of Economic Affairs
Budget Division
(W&M Section)

New Delhi, 31st March, 2004

Subject: Regularisation of Funds under Appropriation No. 37—Repayment of Debt for the year 2003-2004

Sanction of the President is here by conveyed to the following re-appropriation of funds under the various units of appropriation sanctioned below. In the Appropriation "Repayment of Debt" for the year 2003-2004.

(In thousands of rupees)

Capital Section	From	To
Major Head. 6001		
6001 Internal Debt of the Central Government		
00.114 Ways & Means Advances		
00.00.56 Repayment of borrowings	987265151	
00.101 Market Loans		
00.00.56 Repayment of borrowings		144340000
00.103 Treasury Bills and connected securities Issued to RBI		
01.91 Days Treasury Bills		
01.00.56 Repayment of borrowings		159980025
00.110 364 Days Treasury Bills		
00.00.56 Repayment of borrowings		1268600
00.115 14 Day Intermediate Treasury Bills		
00.00.56 Repayment of borrowings		227900000
0..121 Government Securities issued against NSSF		
00.00.56 Repayment of borrowings		405739700
00.105 Securities Issued to International Financial Institutions		
01. International Bank for Reconstruction and Dev.		
01.00.56 Repayment of borrowings		333000
02. International Monetary Fund		
02.00.56 Repayment of borrowings		26006822
00.106 Compensation and Other Bonds		
14. Voluntary Disclosure of Income & Wealth 5 □% Bonds, 1985		

1	2	3
14.00.56 Repayment of borrowings		7500
19.10% Relief Bonds, 1995		
19.00.56 Repayment of borrowings		26208400
21.12.08% GOI (Project Export to Iraq) Bonds, 2001		
21.00.56 Repayment of borrowings		29488
Total-MH 6001		991808535
M.H.6002 External Debt		
00.209 Loans from the Government of Germany		
00.00.56 Repayment of borrowings		631360
00.208 Loans from the Government of France		
00.00.56 Repayment of borrowings		158706
00.212 Loans from the Government of Italy		
00.00.56 Repayment of borrowings		151090
00.217 Loans from the Government of Japan		
00.00.56 Repayment of borrowings		290890
00.220 Loans from the Government of Netherlands		
00.00.56 Repayment of borrowings		1570268
00.230 Loans from the Government of Russian Federation		
00.00.56 Repayment of borrowings		56569
00.207 Loans from EEC (SAC)		
00.00.56 Repayment of borrowings		2235
00.250 Loans from ADB		
00.00.56 Repayment of borrowings		1341165
00.233 Loans from Government of Sweden		
00.00.56 Repayment of borrowings		59484
00.242 Loans from Government of Australia		
00.00.56 Repayment of borrowings		211671
00.251 Loans from Government of Spain		
00.00.56 Repayment of borrowings		983178
Total-Major Head "0002"		**5456616**
Grand Total	**997265151**	**997205151**

2. The re-appropriations are neccessitated by the requirement as finally assessed now. The reasons for variations between the sanctioned provisions and the final appropriation will be intimated separately.

3. Secretary (Expenditure)'s approval has been obtained wherever required.

4. Sanction of the President is conveyed to the surrender of the following amounts under the aforementioned appropriation.

(In thousands of rupees)

Major Head-6001 internal Debt of the Central Government	
00.114 Ways & Means Advances	
00.00.56 Repayment of borrowings	67364849
00.105 Securities Issued to International Financial Institutions	
05 International Fund for Agricultural Development	
05.00.56 Repayment of borrowings	18000
07 African Development Bank	
07.00.56 Repayment of borrowings	600
00.106 Compensation and Other Bonds	
23.9% Relief Bonds 1999	
23.00.56 Repayment of borrowings	321900
Total-Major Head "6001"	**67705349**
MH 6002 External Debt	
00.202 Loans from the Government of Austria	
00.00.56 Repayment of borrowings	6991
00.203 Loans from the Government of Belgium	
00.00.56 Repayment of borrowings	1370574
00.204 Loans from the Government of Canada	
00.00.56 Repayment of borrowings	205771
00.206 Loans from the Government of Denmark	
00.00.56 Repayment of borrowings	17487
00.218 Loans from Kuwait	
00.00.56 Repayment of borrowings	88591
00.223 Loans from the Government of Switzerland and Swiss Banks	
00.00.56 Repayment of borrowings	212782
00.227 Loans from the Govt. of U.S. A. under PL-480 CLC Credits	
00.00.56 Repayment of borrowings	77572
00.226 Loans from Agency for International Development USA	
00.00.56 Repayment of borrowings	349031
00.228 Other Misc. Loans from the Govt. of U.S.A.	
00.00.56 Repayment of borrowings	11548
00.216 Loans from the I.B.R.D.	
00.00.56 Repayment of borrowings	61706
00.213 Loans from the I.D.A.	
00.00.56 Repayment of borrowings	947939
00.221 Loans from OPEC Special Fund	
00.00.56 Repayment of borrowings	575549
00.224 Loans from Saudi Fund for Development	
00.00.56 Repayment of borrowings	26687
00.214 Loans from I FAD	
00.00.56 Repayment of borrowings	4886
Total-Major Head "6002"	**3957114**
Grand Total	**71662463**

Sd/-

(M. Subramanian)
Deputy Director (Budget)
Tel: 23093569

To
The Chief Controller of Accounts (Finance)
M/o Finance, New Delhi.

Copy Forwarded to:

1. Aid Accounts & Audit Division.

FB Division:

2. Shri J.S. Bhatia, US(PB)-in r/o IMF
3. Shri Arun Kumar, DD(FD)- "IFAD
4. Shri Ajay Seth, Director (FB)- "IBRD, IDA
5. ADB Cell (Shri K.S. Palachandran, US)
6. FT Division (Shri L.K. Prasad, US (I-A)-AFDB
7. Director of Audit Central Revenues, DACR Building, New Delhi-110002.
8. Controller General of Accounts, Lok Nayak Bhawan, Khan Market, New Delhi-3

Sd/-
(M. Subramanian)
Deputy Director (Budget)

Recommendation

"What is still more disconcerting is the fact that the excess expenditure of Rs. 43364.62 crore during the year 2003-04 had occurred despite obtaining the Supplementary provisions of Rs. 25899.77 crore in 18 cases of excess registering Grants/Appropriations. It is also evident that under Appropriation No. 37-Repayment of debt, the excess expenditure incurred is much higher than the amount obtained as supplementary provision. Considering the fact that Supplementary funds in most of these cases were obtained in February 2004, when the Ministries are in a position to estimate actual requirements of funds, the Committee find no plausible explanations for incurring substantial excess expenditure under these Grants or Appropriations. The Committee can not but over emphasise the need to exercise optimum care by the concerned Ministries/Departments in assessing their requirements of funds".

[Sl. No. 2, Paragraph 68 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Home Affairs

It is submitted here that the Supplementary Grant of Rs. 7.00 lakh, obtained by the Ministry during the financial year 2003-04 udner Revenue Section (Charged) of Grant No. 52—Cabinet, was meant for settlement of Motor Accident Claims Tribunal (MACT) cases pertaining to Special Protection Group. This Supplementary Grant was obtained by the Ministry in the month of February 2004 in the IIIrd and Final Batch of Supplementary Demands for Grants (2003-04). However, the excess expenditure of Rs. 5.59 lakh, which occurred under Revenue Section (Charged) of the Grant, at the end of the financial year, was due to taking an advance of Rs. 9.00 lakh by the Prime Minister's Office from the ‘Contingency Fund of India’ to make payment as per court's orders. This advance from the ‘Contingency Fund of India’ could not be recouped during the same financial year, as required under the rules, because of the reasons beyond the control of the Ministry as stated in reply to Para 67 of the Report.

2. It may kindly be seen from the reasons stated for the excess that there was no failure on the part of the Ministry in this case in assessing the requirement of funds at the time of obtaining Supplementary Grants. Notwithstanding these facts, the Ministry have taken note of the PAC's displeasure on the issue of excess expenditure being incurred by the Ministries/Departments even after obtaining the Supplementary Grants. In the recent past, the Ministry have brought to the notice of all concerned, the observations/recommendations made by the earlier PACs in this regard (copies enclosed—O.M. No. 10/34/2004-Bgt.I dated 14.9.2004 and O.M. No. 15/3/2004-AFA (H) dated 7th June 2005).

3. All the budget controlling authorities in the Ministry have also been adivsed from time to time to assess their requirement of funds as realistically as possible so that there are neither major savings nor they run short of funds for their important schemes/projects during the financial year. They have also been cautioned not to

make any expenditure in excess of the authorised Budget provisions under any circumstances.

Sd/-
(N.A. Viswanathan)
Additional Secretary & Financial Adviser (Home)

[Ministry of Home Affairs O.M. No. 28/15/2005-Bgt.I dated 23.01.2006]

(This 'Action Taken Note' has been vetted by O/O DGACR *vide* their U.O. No. RR/6-24/2005-06/425 dated 12th January 2006).

Recommendation

What is still more disconcerting is the fact that the excess expenditure of Rs. 43364.62 crore during the year 2003-04 had occurred despite obtaining the Supplementary provisions of Rs. 25899.77 crore in 18 cases of excess registering Grants/Appropriations. It is also evident that under Appropriation No. 37—Repayment of Debt, the excess expenditure incurred is much higher than the amount obtained as supplementary provision.Considering the fact that Supplementary funds in most of these cases were obtained in February, 2004, when the Ministries are in a position to estimate actual requirements of funds, the Committee find no plausible explanations for incurring substantial excess expenditure under these Grants or Appropriations. The Committee cannot but over emphasise the need to exercise optimum care by the concerned Ministries/Departments in assessing their requirements of funds.

[Sl. No. 2, Paragraph 68 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Department of Information Technology

The Supplementary Grant was sought to meet the additional requirement for procurement of Hardware (under Capital Head of NIC) for National Informatics Centre (NIC). Appropriation Accounts for 2003-04 indicates that whereas there is excess of Rs. 1,28,59,000/-in the Capital Section, there is also a saving of Rs. 5,83,15,000/-in the Revenue Section.

The excess expenditure in the Capital Section 4859 of standardisation Testing and Quality Certification Directorate was mainly due to inadvertently opening of the letter of credit for importing of Machinery & Equipment by sanctioning funds to the tune of 100% of the available grant instead of 85% without keeping the margin of overhead expenses *i.e.* (currency fluctuations, Bank commissions and freight/demurrage charges etc.) resulting in excess expenditure and opening of the Letter of Credit (LC) by Cheque Drawing DDO's/Non-Cheque Drawing DDO's directly instead of through Standardisation Testing and Quality Certification Directorate at HQ resulting in lack of proper budgetary control.

Steps have now been taken to keep the amount of Letter of Credit (LC) within the available grant by sanctioning the expenditure below the available funds and to keep margin for overhead expenses *i.e.* (currency fluctuations, Bank commisisons and freight/demurrage charges etc.) on import of Machinery & Equipment under Capital Outlay.

The Cheque Drawing DDO's/Non Cheque Drawing DDO's have been directed not to open the Letter of Credit (LC) for import of Machinery & Equipment directly and the LC will be opened at STQC Hqrs. only. All the Cheque Drawing DDO's/Non Cheque Drawing DDO's have been directed to reconcile their expenditure regularly with Pay & Accounts Office to avoid recurrence of such lapses in future.

Recommendation

What is still more disconcerting is the fact that the excess expenditure of Rs. 43364.62 crore during the year 2003-04 had occurred despite obtaining the Supplementary provisions of Rs. 25899.77 crore in 18 cases of excess registering Grants/Appropriations. It is also evident that under Appropriation No. 37—Repayment of Debt, the excess expenditure incurred is much higher than the amount obtained as supplementary provision. Considering the fact that Supplementary funds in most of these cases were obtained in February, 2004, when the Ministries are in a position to estimate actual requirements of funds, the Committee find no plausible explanations for incurring substantial excess expenditure under these Grants or Appropriations. The Committee cannot but over emphasise the need to exercise optimum care by the concerned Ministries/Departments in assessing their requirements of funds.

[Sl. No. 2, Paragraph 68 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Communications and Information Technology, Department of Telecommunications

The excess was only under Revenue Section of the Grant amounting to Rs. 3.98 crore which was 0.1% of the sanctioned Grant. However, due care will be taken to avoid excess expenditure in future.

This issues with the approval of Member (F).

(Annie Moraes)
DDG (FEB)

File No. 1-4/2006-B

Dated 9-3-06

The Para has been vetted by Audit *vide* DGA P&T U.O. No. Rep. VI/1(G) 400/ APP/A/Cs/2003-04/2 dt. 5.4.2006 with the remarks "Seen Thanks"

Sd/-
ADG(AC)

Recommendation

What is still more disconcerting is the fact that the excess expenditure of Rs. 43364.62 crore during the year 2003-04 had occurred despite obtaining the Supplementary provisions of Rs. 25899.77 crore in 18 cases of excess registering Grants/Appropriations. It is also evident that under Appropriation No. 37—Repayment of Debt, the excess expenditure incurred is much higher than the amount obtained as supplementary provision. Considering the fact that Supplementary funds in most

of these cases were obtained in February, 2004, when the Ministries are in a position to estimate actual requirements of funds, the Committee find no plausible explanations for incurring substantial excess expenditure under these Grants or Appropriations. The Committee cannot but over emphasise the need to exercise optimum care by the concerned Ministries/Departments in assessing their requirements of funds.

[Sl. No. 2, Paragraph 68 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Development of North Eastern Region

Supplementary in this connection, it is submitted that the Capital Section (Voted), covers various items of expenditure including the North Eastern Council (NEC) projects, equity to Sikkim Mining Corporation, Loan to the North Eastern Handicrafts and Handlooms Development Corporation, Non Lapsable Central Pool of Resources (NLCPR) assistance by way of Grant to the eight North Eastern States and NEC assistance by way of Grant to the eight North Eastern States. Supplementary was obtained only in respect of one item of expenditure namely; Loan to the North Eastern Handicrafts and Handlooms Development Corporation. Under this Head, there was no budget provision in BE 2003-04 and hence a token supplementary of Rs. 1 lakh was provided. The excess of Rs. 11.95 lakhs incurred is the net of excess and savings under the various items of expenditure and not in respect of one project in which supplementary was obtained.

Remedial Action Taken

Instructions have been issued from time to time to restrict the expenditure up to the budget provision and not to incur excess expenditure. These have been reiterated in instructions issued by the AS&FA (Home and DONER) in November, 2004 *vide* F.No. 10/34/2004-Bgt.I dated 3.11.2004 (copy enclosed) [**Appendix-II].**

This has been vetted by Audit *vide* their U.O.No. RR/6-28/05-06/582 dated 10.3.06.

Sd/-
(Hari Krishna)
Joint Secretary to the Government of India

[Ministry of Development of North Eastern Region O.M. No.3/7/2005-DONER dated 31.3.2006]

Recommendation

What is still more disconcerting is the fact that the excess expenditure of Rs. 43364.62 crore during the year 2003-04 had occurred despite obtaining the Supplementary provisions of Rs. 25899.77 crore in 18 cases of excess registering Grants/Appropriations. It is also evident that under Appropriation No. 37—Repayment of Debt, the excess expenditure incurred in much higher than the amount obtained as supplementary provision. Considering the fact that Supplementary funds in most of these cases were obtained in February, 2004, when the Ministries are in a position to estimate actual requirements of funds, the Committee find no plausible explanations

for incurring substantial excess expenditure under these Grants or Appropriations. The Committee can not but over emphasise the need to exercise optimum care by the concerned Ministries/Departments in assessing their requirements of funds.

[Sl. No. 2, Paragraph 68 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Personnel, Public Grievances and Pensions

The observations of the Committee have been noted for future compliance.

2. This Ministry has always taken due care in assessing the requirement of funds on a very realistic manner. However, in the instant case, this Ministry had to rely on the estimates provided by CPWD, who had been entrusted with the construction work. Supplementary Grant had been obtained for the construction work at Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie based on the estimates provided by CPWD for carrying out the work by the Department only. Due care will be taken in future so as to avoid such lapses.

3. In view of the above, it is requested that the above para standing against this Ministry may kindly be dropped.

Sd/-
(R. Ramanujam)
Joint Secretary (AT&A)

Ministry of Personnel, Public Grievances & Pensions
Department of Personnel and Training
O.M. No. H. 11013/2/2006-Budget dated the June, 2006

This has been vetted by Audit *vide* its U.O No. RR-II/40-1/2006-07/560 dated 29th May, 2006

Recommendation

What is still more disconcerting is the fact that the excess expenditure of Rs. 43364.62 crore during the year 2003-04 had occurred despite obtaining the Supplementary provisions of Rs. 25899.77 crore in 18 cases of excess registering Grants/Appropriations. It is also evident that under Appropriations No. 37—Repayment of Debt, the excess expenditure incurred is much higher than the amount obtained as supplementary provisions. Considering the fact that supplementary funds in most of these cases were obtained in February, 2004, when the Ministries are in a position to estimate actual requirements of funds, the Committee find no plausible explanations for incurring substantial excess expenditure under these Grants or Appropriations. The Committee cannot but over emphasise the need to exercise optimum care by the concerned Ministries/Departments in assessing their requirements of funds.

[Sl. No. 2, Paragraph 68 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Defence

This para relates to excess of expenditure incurred by various Ministries/ Departments despite obtaining supplementary provisions. This includes one Grant

operated by Ministry of Defence. Action taken note thereon has been furnished in Para 72 of this report.

Sd/-
(Amit Cowshish)
Addl. FA(A) & JS

File No. 10(9)/B-I/2005

Recommendation

What is still more disconcerting is the fact that the excess expenditure of Rs. 43364.62 crore during the year 2003-04 had occurred despite obtaining the Supplementary provisions of Rs. 25899.77 crore in 18 cases of excess registering Grants/Appropriations. It is also evident that under Appropriation No. 37—Repayment of Debt, the excess expenditure incurred is much higher than the amount obtained as Supplementary provision. Considering the fact that Supplementary funds in most of these cases were obtained in February, 2004, when the Ministries are in a position to estimate actual requirements of funds, the Committee find no plausible explanations for incurring substantial excess expenditure under these Grants or Appropriations. The Committee cannot but over emphasize the need to exercise optimum care by the concerned Ministries/Departments in assessing their requirements of funds.

[Sl. No. 2, Paragraph 68 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Railways

The para deals with overall excess expenditure incurred in 2003-04 in various Ministries/Departments of the Union Government as a whole, including the Railways. The stress of the Committee here is that most of these excesses have been incurred even after obtaining supplementary grants in the last batch.

On the Railways, this has happened in seven cases of charged appropriation and four cases of voted grants. While the reasons for excess expenditure under Demand Nos. 14 & 16 have been submitted in the ATN on Para No. 67 of the current report, the excess in Demand No. 15 had occurred mainly due to higher capital-at-charge booked under New Lines, which attracted higher rate of dividend. The necessary corrections in this regard have been carried out in the accounts of 2004-05.

As regards excess under charged appropriations even after obtaining supplementary, this happens mainly due to decretal payments made at the fag end of the year, which could not be projected for being included in the supplementary grants. Nonetheless, spending units have constantly been instructed to make a realistic assessment of charged expenditure at the supplementary stage itself, to avoid unexpected excess over sanctioned appropriation towards the closing months of the financial year. Besides, this issue has been emphasized in FA&CAO's conferences too. In response to the concern expressed by the Committee in the present report, the railways have again been addressed through a letter dated 30.12.05 (*a copy of the letter enclosed*).

Sd/-
(Sabita Gopal)
Adviser (Finance)
Railway Board

[Ministry of Railways O.M. No. 2005-BC-PAC/XIV/21 dated 30.06.2006]

Government of India (Bharat Sarkar)
Ministry of Railways (Rail Mantralaya)
(Railway Board)

No. 2005-B-342 New Delhi, dated 30.12.2005

The General Managers,

All India Railways.

Sub: Excess over Voted Grants/Charged Appropriations.

As you are aware, no expenditure over and above the sanctioned allotment can be incurred without proper authorization from Parliament. The Board has been emphasizing the need to contain the expenditure within the sanctioned allotment over and again. But, there have been recurrent incidences of excess expenditure over the years particularly under charged appropriations.

Public Accounts Committee has been commenting adversely on the incidences of excess expenditure, especially under charged appropriations, over the years. There have been instances where excess has occurred even after taking supplementary and instances where expenditure has occurred without any original or supplementary appropriation. While criticizing these excesses, that are mostly the decretal payments under charged appropirations and have occurred with the same contributory reasons, PAC, in its latest report has desired 'that the recurrent lapses on this account may be carefully looked into, with a view to fixing responsibility at the appropriate level so that there is no recurrence of such excesses'.

Hence, the Railways are hereby urged to correctly assess the additional requirement under the charged appropriations for 2005-06 RE and 2006-07 BE. Those Railways, which have already submitted their estimates for RE0506/BE0607, may after carefully reassessing their requirement under charged appropriations, resubmit immediately if there is any change. The Railways are also urged to take all necessary steps to tighten the existing monitoring mechanism to avoid excess expenditure.

Kindly acknowledge receipt.

Sd/-
(S. Balachandran)
Additional Member (Budget)
Railway Board

Recommendation

On scrutiny of Appropriation Accounts (Civil) for the year 2003-2004, the Committee have found that the Department of Telecommunications incurred an excess expenditure of Rs. 3.98 crore under Revenue Section (voted) of Grant No. 15 which was the net effect of total excess of Rs. 150.74 crore and total unspent balances of Rs. 146.76 crore under various sub-heads of the Grant. The explanatory note have revealed that substantial excess expenditure was incurred in at least four sub-heads of the Grant, *viz.* sub-head-' commuted value of pensions' (Rs. 44.35 crore)—due to Payment of Commuted value of Pension on Industrial Dearness Allowances Pay

Scale to the employees absorbed in BSNL; Sub-head-"Gratuities' (Rs. 60.15 crore)—due to Payment of Gratuities on Industrial Dearness Allowance Pay Scale to the employees absorbed in BSNL; Sub-head "Family Pensions' (Rs. 10.49 crore)—due to more receipt of claim than anticipated and Sub-head- 'compensation to Service providers' (Rs. 24.38 crore)—due to receipt of more claims from service providers for payment of compensation under 'Universal Service Obligation'. The Committee are of the view that the reasons attributed for such excesses could have easily been anticipated by the Department at the budget provision stage. A substantial part of the excess expenditure under this Grant could have been avoided by making adequate provisions to meet the anticipated liabilities. In this context, the Committee would like to point out that the Department of Telecommunications had been persistently registering excess expenditure under this grant during the preceding three years. While expressing their unhappiness over the current state of affairs, the Committee desire the Department of Telecommunications to analyse the reasons for this recurring phenomenon of excess expenditure under this grant and take remedial measures to effect improvements for its proper management.

[Sl. No. 4, Paragraph 70 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Communications and Information Technology, Department of Telecommunications

The excess was only under the Revenue Section by 0.1%. There was no excess expenditure under Revenue Section during the years 1999-2000, 2000-2001, 2001-2002 & 2002-2003. However, adequate steps are being taken to ensure that the expenditure does not exceed the sanctioned Grant. As a result there was no excess expenditure either under Revenue or Capital Section of the grant during 2004-05.

This issues with the approval of Member (F).

File No. 1-4/2006-B
Dated 9.3.2006

The Para has been vetted by Audit *'vide'* P&T UO. No, Rep.VI/1(4) 400/APP.A/cs 2003-04/2dt 5.4.2006 with the remarks "seen Thanks".

Sd/-
(Annies Moraes)
DDG (FEB)
19.4.06
ADG(AC)

Recommendation

The scrutiny of Revenue Section (Charged) of Appropriation No. 37 Repayment of Debt has revealed that although the supplementary appropriation of Rs. 21701.79 crore was obtained in February, 2004 and Rs. 7166.25 crore was surrendered, the Ministry of Finance incurred an excess expenditure of Rs. 42182.74 crore during 2003-04. The various reasons advanced by the Ministry of Finance for excess expenditure under different sub-heads of this appropriation include prepayment of high cost loan/illiquid securities from the banks and financial institutions, exchange rate fluctuation and enhanced encashment demanded by World Bank which was not

anticipated at the time of estimation. While attributing the reasons for excess expenditure under this appropriation, the Ministry of Finance have contended that the excess expenditure ws not anticipated at the time of framing of Budget Estimates (2003-04). The Committee are not convinced by this argument as many of these estimates such as Market loans, 91 Days Treasury Bills, 364 Days Treasury Bills, 14 Days Treasury Bills and Special Central Government Securities issued against outstanding balances of small savings as on 31.3.1999, were available during the course of the year and were included at the Revised Estimates stage. Another plea advanced by the Ministry in their defence is that keeping in view the possibility of unspent provisions under repayment of Ways and Means Advances, from which it was proposed to re-appropriate to provide for expenditure as projected Revised Estimates, Supplementary provision for lower amount was sought. However, due to lower actual availability of unspent provisions that anticipated by RBI in repayment of Ways and Means Advances, excess under this appropriation had occurred. The Committee are however, not sure whether the savings anticipated on this account would have been sufficient to counter even a part of such a huge excess expenditure. They therefore, express their displeasure over the manner in which this particular appropriation was handled by the Ministry of Finance. The Committee feel that major portion of this excesses could and should have been anticipated by the Ministry and provisions thereof provided in the revised Estimates, if not earlier. That, this was not done, is regrettable. The Committee expect that there would not be recurrence of excesses of such huge amount under this appropriation.

[Sl. No. 5, Paragraph 71 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Finance, Department of Economic Affairs

The excess expenditure was mainly under repayment of Ways and Means Advance (WMA), which was not intimated by RBI at the time of surrender. Under WMA, the revised estimates and final requirement as intimated by RBI was Rs. 53,537/- crore against BE 2003-04 of Rs. 160000.00 crore. As such, out of balance amount of Rs. 106463.00 crore [*i.e.* Rs. 160000.00 crore (-) Rs. 53537.00 crore], Rs. 99726.52 crore was re-appropriated from the minor head and Rs. 6736.48 crore was surrendered (copy of surrender/re-appropriation order is enclosed). However, the actual expenditure in respect of repayment of WMA including OD was Rs. 96615.00 crore against FR of Rs. 53537.00 crore, as a result of which an excess expenditure of Rs. 43078.00 crore occurred in respect of WMA alone. **For the excess expenditure under WMA, RBI has now stated that while intimating final requirement in respect of WMA, the figures relating to overdraft (OD) was excluded erroneously and as such the excess was mainly due to non-inclusion of actual recourse to OD during the year.** Had the figures relating to overdraft (OD) not been erroneously omitted by RBI, this Ministry would have obtained necessary supplementary and consequently Rs. 7166.25 crore would have also not been surrendered. The error in respect of non-inclusion of repayment of overdraft while furnishing the final requirement of repayment of WMA by RBI is regretted.

2. Efforts will continue to be made to submit the explanatory note to the Audit and finally to the Committee within the time schedule prescribed for the purpose in future.

3. This has been vetted by Audit *vide* its U.O. No. RR/1-69/2005-06/2638 dated 3.4.2006

Sd/-
(L.M. Vas)
Joint Secretary (Budget)

[Ministry of Finance, Department of Economic Affairs O.M. No. 9(2)-W&M/ 2006 dated 3.5.06]

No. F.7(1)-W&M/2004
Ministry of Finance
Department of Economic Affairs
Budget Division
(W&M Section)

New Delhi, 31st March, 2004

Subject: Regularisation of Funds under Appropriation No. 37-Repayment of Debt for the year 2003-2004

Sanction of the President is hereby conveyed to the following re-appropriation of funds under the various units of appropriation sanctioned below. In the Appropriation "Repayment of Dept" for the year 2003-2004.

(In thousands of rupees)

Capital Section	From	To
1	2	3
Major Head. 6001		
6001 Internal Debt of the Central Government		
00.114 Ways & Means Advances		
00.00.56 Repayment of borrowings	997265151	
00.101 Market Loans		
00.00.56 Repayment of borrowings		144340000
00.103 Treasury Bills and connected Sections issued to RBI		
01.91 Days Teasury Bills		
10.00.56 Repayment of borrowings		159980025
0.110 364 Days treasury Bills		
00.00.56 Repayment of borrowings		1263600
00.115 14 day intermediate treasury Bills		
00.00.56 Repayment of borrowings		227900000
0.121 Government Securities issued against NSSF		
00.00.56 Repayment of borrowings		405739700
00.105 Securities Issued to International Financial Institutions		
01. International Bank for Reconstruction and Dev		
01.00.56 Repayment of borrowings		333000
02. International Monetary Fund		
02.00.56 Repayment of borrowings		26006822
00.106 Compensation and Other Bonds		
14. Voluntary Disclosure of Income & Wealth 5-3/4% Bonds, 1985		
14.00.56 Repayment of borrowings		7500

1	2	3
19.10% Relief Bonds, 1995		
19.00.56 Repayment of borrowings		26208400
21.12.08% GOI (Project Export to Iraq) Bonds, 2001		
21.00.56 Repayment of borrowings		29488
Total-MH 5001		**991808535**
M.H.6002 External Debt		
00.209 Loans from the Government of Germany		
00.00.56 Repayment of borrowings		631360
00.208 Loans from the Government of France		
00.00.56 Repayment of borrowings		158706
00.212 Loans from the Government of Italy		
00.00.56 Repayment of borrowings		151090
00.217 Loans from the Government of Japan		
00.00.56 Repayment of borrowings		290890
00.220 Loans from the Government of Netherlands		
00.00.56 Repayment of borrowings		1570268
00.230 Loans from the Government of Russian Federation		
00.00.56 Repayment of borrowings		56569
00.207 Loans from EEC (SAC)		
00.00.56 Repayment of borrowings		2235
00.250 Loans from ADB		1341165
00.00.56 Repayment of borrowings		
00.233 Loans from Government of Sweden		
00.00.56 Repayment of borrowings		59484
00.242 Loans from Government of Australia		
00.00.56 Repayment of borrowings		211671
00.251 Loans from Government of Spain		
00.00.56 Payment of borrowings		983178
Total-Major head "6002"		**5466616**
Grand Total	**997265151**	**997265151**

2. The re-appropriations are necessitated by the requirements as finally assessed now. The reasons for variations between the sanctioned provisions and the final appropriation will be Intimated separately.

3. Secretary (Expenditure)'s approval has been obtained wherever required.

4. Sanction of the President is conveyed to the surrender of the following amounts under the afore-mentioned appropriation.

(*In thousands of rupees*)

1	2	3
Major Head-0001 Internal Debt of the Central Government		
00.114 Ways & Means Advances		
00.00.56 Repayment of borrowings		67264849
00.105 *Securities issued to International Financial Institutions*		
05 International Fund for Agricultural Development		
05.00.56 Repayment of borrowings		18000
07 African Development Bank		
07.00.56 Repayment of borrowings		600
00.106 Compensation and Other Bonds		
23.9% Relief Bonds, 1999		
23.00.56 Repayment of borrowings		321900
Total-Major Head "6001"		**67705349**
MH 6002 External Debt		
00.202 Loans from the Government of Austria		
00.00.56 Repayment of borrowings		6991
00.203 Loans from the Government of Belgium		
00.00.56 Repayment of borrowings		1370574
00.204 Loans from the Government of Canada		
00.00.56 Repayment of borrowings		205771
00.206 Loans from the Government of Denmark		
00.00.56 Repayment of borrowings		17487
002.18 Loans from Kuwait		
00.00.56 Repayment of borrowings		88591
00.223 Loans from the Government of Switzerland and Swis Banks		
00.00.56 Repayment of borrowings		212782
00.227 Loans from the Govt. of U.S. A. under PL-480 CLC Credits		
00.00.56 Repayment of borrowings		77572
00.226 Loans from Agency for International Development USA		
00.00.56 Repayment of borrowings		349031
00.228 Other Misc. Loans from the Govt. of U.S.A.		
00.00.56 Repayment of borrowings		11548
00.216 Loans from the I.B.R.D.		
00.00.56 Repayment of borrowings		61706
00.213 Loans from the I.D.A.		
00.00.56 Repayment of borrowings		947939
00.221 Loans from OPEC Special Fund		
00.00.56 Repayment of borrowings		575549

1	2	3
00.224 Loans from Saudi Fund for Development		
00.00.56 Repayment of borrowings		26687
00.214 Loans from IFAD		
00.00.56 Repayment of borrowings		4886
	Total-Major Head "6002"	**3957114**
	Grand Total	**71662463**

Sd/-
(M. Subramanian)
Deputy Director (Budget)
Tel: 23093569

To

The Chief Controller of Accounts (Finance)
M/o Finance, New Delhi.

Copy forwarded to:

1. Aid Accounts & Audit Division.

FB Division:

2. Shri J.S. Bhatia, US(FB)-in r/o IMF
3. Shri Arun Kumar, DD(FD)- "IFAD
4. Shri Ajay Seth, Director (FB)- "IBRD, IDA
5. ADB Cell (Shri K.S. Palachandran, US)
6. FT Division (Shri L.K. Prasad, US (I-A)-AFDB
7. Director of Audit Central Revenue DACR Building, New Delhi-110002.
8. Controller General of Accounts, Lok Nayak Bhawan, Khan Market, New Delhi-3

Sd/-
(M. Subramanian)
Deputy Director (Budget)

Recommendation

The scrutiny of Appropriation Accounts—Defence Services for the year 2003-2004 has revealed that there was an overall excess of Rs. 37.50 crore over the authorized provisions in the Revenue Section (Voted) of Grant No. 24— Defence Ordnance Factories. The excess under this Grant is a cumulative effect of total excesses of Rs. 2.99 crore under minor head 054 (Manufacture) and Rs. 104.27 crore under minor head 901-904 (Deduct Recoveries) offset by unspent provisions of Rs. 69.75 crore in some other minor heads. According to the explanatory notes furnished by the Ministry of Defence, the excess under this Grant occurred due to Non-transfer of the salary of canteen employees from minor head 054 to other expenditure head and shortfall in issuing of ammunition items to Army and Ordnance Equipment Factory items to Air Force. The Committee feel that the reasons adduced by the Ministry for the same are not such as could not have been foreseen at least at the Supplementary Grant stage. The Ministry have, however, indicated that in order to avoid such excesses in future, remedial action has been taken by DGOF. While taking note of the assurance given by the Ministry of Defence to prevent such excesses in future, the Committee hope that the Ministry of Defence would be able to overcome the problem of excess expenditure incurred under Grants operated by them in future.

[Sl. No. 6, Paragraph 72 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Defence

Detailed note in respect of excess under the Grant was furnished to the Public Accounts Committee for their consideration and regularization of the excess. Also the instructions issued by the Ministry of Finance (Department of Expenditure) under their OM No. 12(2)/E Coord/2005 dated 17.11.2005 on the basis of recommendations contained in Report of Public Accounts Committee (14th Lok Sabha) on Excess over Voted Grants/Charged Appropriations 2002-2003 have been forwarded to all concerned for guidance/compliance *vide* MoD (Fin) ID No. 10(8) B-I/2005 dated 22.12.2005 (copy enclosed).

Sd/-
(Amit Cowshish)
Addl. FA (A) & JS

File No. 10(9)/B-I/2005

MINISTRY OF DEFENCE (FINANCE)
(BUDGET-I)

Subject: Action taken on the recommendations contained in the 10th Report (14th Lok Sabha) on "Excesses over Voted Grants and Charged Appropriations (2002-2003)".

Reference:— MOF (Deptt. of Expenditure) OM No. 12(2)/E-Coord/2005, dated 17-11-2005.

The Public Accounts Committee (PAC) in their 10th Report (14th Lok Sabha) has taken a serious view of the instances of excess expenditure even in those grants where Supplementary has been obtained. They have, therefore, *inter alia* urged on all Ministries/Departments to chalk out a definite policy in order to observe greater financial discipline and ensure that expenditure does not exceed its prescribed limits.

2. A copy of the observations of Public Accounts Committee on the subject cited above as circulated by Ministry of Finance is enclosed for information and necessary action.

Sd/-
(Mukesh Kumar Sinha)
Dir. (Fin./Bud.)

ADGFP, Army HQrs.,	DNP, Naval HQrs.	D-Fin-P, Air HQrs.
DGOF	CIDS	DBF & A (DRDO),
DGATVP,	DGAQA,	DGQA (Budget),
DGNCC	Dte of Standardisation	
CGDA		

MoD (Fin) ID No. 10(8)/B-I/2005 dated 22-12-2005

Copy to:—

All Joint Secretaries in MoD
All Addl. FAs.

Most Immediate

PAC Matter

No.12(2)/E.Coord./2005
Government of India
Ministry of Finance
Derpartment of Expenditure

New Delhi, the 17th November, 2005

OFFICE MEMORANDUM

Subject : Action taken on the recommendations contained in the 10th Report (14th Lok Sabha) on "Excesses over Voted Grants and Charged Appropriations (2002-2003)".

The undersigned is directed to invite the attention to the recommendation made by the public Accounts Committee in paras 65, 67, 69 and 70 of their 10th Report (14th Lok Sabha) where the Committee has viewed with serious concern the cases of excess expenditure even in those grants of appropriations where supplementary provisions had been obtained. The observations made by the Public Accounts Committee in the relevant paras are summarized as under :—

Para 65

In the year 2002-2003 an excess expenditure of Rs.2188.12 crore was incurred.The excess expenditure was mainly on account of Appropriation No.29 relating to interest payments which were exceeded by Rs.1792.90 crore. The excess expenditure was on account of defective estimation of requirement of funds, lack of continous watch over expenditure flow, timely review of financial requirements, failure to assess the additional fund requirements etc. The reasons are similar to the earlier years and it is apparent that Ministries/Departments are not viewing this matter with ample seriousness and the often repeated recommendations of Public Accounts Committees in the past have had little impact. All the Ministries/Departments are therefore, urged to chalk out a definite policy in order to observe greater financial discipline and ensure that expenditure does not exceed its prescribed limit.

Para 67

Supplementary grants in most of the cases were obtained without proper assessment with the result that even the additional provisions proved inadequate the actual requirement of funds. Concerned Ministries/Departments should impress upon their budget controlling authorities to thoroughly examine their proposals for additional funds with due foresightedness and ensure proper review and scrutiny of the requests for Supplementary demands before the same are presented to the Parliament for approval.

Para 69

In a large number of cases, there was an excess expenditure of over Rs.1 crore even after the Supplementary Grants stage. This was regrettable as a factors

leadings excess expenditure should have been anticipated well in advance and provided for at budgetary or Supplementary Grants stage. Adequate care should be taken by the concerned Ministry/Department in this regard.

Para 70

Excess expenditure under Grants/Appropriations in Civil Ministries/Departments has become a recurring phenomenon. All the Ministries/Departments should therefore, carefully review their mechanism for framing of Budget Estimates and take corrective measures to make it more balanced and realistic.

2. The instances brought out in the aforesaid Report of the Public Accounts Committee that Ministries/Departments have not been making the Budget Estimates after proper scrutiny leading to excess expenditure having to be incurred year after year with the Parliament being presented with a *fate-acommpli*. It is therefore, necessary for all the Ministries/Departments of Governments of India to observe greater financial discipline with a view to ensure that expenditure does not exceed its prescribed limits.

3. One of the basic requirements of Budget formulation and estimation is realistic assessment of funds required for various expenditure at different stages in a financial year be made. In this connection, attention is invited to this Department's Office Memoradum No.12(1)/E.Coord./2002 dated September 27, 2002. As per the provisions of this Office Memorandum, careful monitoring of expenditure in accordance with the provisions contained in the General Financial Rules and Ministry of Finance O.M. No. 12(3)/E. Coord./2000 dated August 13, 2001 was mandatory to avoid any excesses over Voted/Charged Appropriations. The provisions of new GFRs also referred to this issue. Specific attention is drawn to Rule 52 (3) of the GFRs, 2005 as per which no expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by Parliament by law for a financial year, expect after obtaining a supplementary grant or an appropriation or an advance from the contingency fund. Rules 54, 58, 59, 60 and 61 of GFRs, 2005 are also to be noted in this connection.

4. In view of the recommendations of the Public Accounts Committee as mentioned in Para 1 above, Ministries/Departments are requested to ensure strict compliance with the relevant provisions of the GFRs, 2005 and the instructions issued *vide* this Department's Office Memorandums dated September 27, 2002; August 13, 2001 and O.M. No.G-25018/CGA-AA/Excess/2000-01/629 dated September 5, 2001.

Sd/-

(Dr. S.C. Pandey)
Officer on Special Duty (P&C)

1. All the Ministries/Departments as per the standard mailing list.
2. All Secretaries to the Government of India.
3. All Financial Advisers.

Recommendation

Analysis of the excess expenditure incurred by the Ministry of Railways reveal that excess to the tune of Rs. 681.62 crore had been incurred under a single Grant namely Grant No. 14—Working Expenses—Appropriation to Funds, which deals with appropriation to all Reserve Funds. As in the past, the Ministry have pleaded that the excess under this Grant was due to Appropriation to Depreciation Reserve Fund (Rs. 400.55 crore) and Appropriation to Development Fund (Rs. 130.00 crore) mainly to strengthening the fund balances in view of overall better financial performance of Indian Railways. Further, excess in Appropriation to Special Railway Safety Fund (Rs. 282.98 crore) had incurred in order to meet the higher plan requirements from the fund. Incidentally, this Grant has incurred excess expenditure of Rs. 211.15 crore during the last year (2002-03) under the same heads with the same contributory reasons. Obviously, the Ministry of Railways have not learnt any lessons from the past experience. The Committee are of the firm view that these excesses could have been avoided to a large extent had the Railway administration exercised stricter budgetary discipline. They therefore, desire that greater care needs to be exercised by the Railways through close watch over the flow of expenditure and better anticipation of requirements at the Ministry's level for making timely additional provision at least at the Revised Estimate stage.

[Sl. No. 8, Paragraph 74 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Railways

As has also been brought out in ATN for Para No. 67, the excess under Demand No. 14—'Appropriation to Funds' has occurred mainly due to generation of higher internal resources than anticipated enabling higher appropriation to Railway Funds. It may be appreciated that the excess incurred is only technical in nature as no real expenditure is involved in this case.

As regards Demand No. 16, the excess has occurred due to the pace of progress of works being better than anticipated. The excess incurred in Demand 16 is a matter of concern and all efforts will be made for making timely additional provision at least at the Revised Estimates stage. Field units have also been instructed to assess their requirements correctly to avoid incidences of excess expenditure (copy of instructions issued enclosed).

Sd./-

(Sabita Gopal)
Adviser (Finance)
Railway Board

[Ministry of Railways, O.M. No. 2005-BC-PAC/XIV/21 dated 30-06-2006.]

Government of India (Bharat Sarkar)

Ministry of Railways (Rail Mantralaya)

Railway Board

No. 2005-B-110 (PAC) New Delhi, 16-2-2006

The FA & CAOs,
All Indian Railways & PUs etc.

Sub: Excess over Voted Grants/Charged Appropriations.

There have been instances where the Railway Administrations are repeatedly involved in excess expenditure over and above the sanctioned expenditure both in the Voted and Charged segments. Needless to say that the expenditure has to be contained within the allotment sanctioned by the Parliament. Recurrent violation of this condition has been an area of serious concern and taken note of by the Ministry of Railways as well as other agencies from time to time.

Criticism has also come up recently in the PAC's 21st Report (Fourteenth Lok Sabha) on Excess over Voted Grants/Charged Appropriations (2003-04). The PAC has desired that the recurrent lapses on this account may be carefully looked into with a view to fixing responsibility at the appropriate level so that there is no recurrence of such excesses. While commenting on the excess expenditure incurred under Demand No. 16—Works Expenditure, the PAC has desired that the Ministry of Railways should impress upon their Financial Advisors to take utmost care in reviewing and scrutinizing the budget estimates and apply necessary corrective measures wherever required.

The concern of the Committee has already been conveyed to General Managers of all the Railways/PUs through Additional Member (Budget), Railway Board's letter No. 2005-B-342 dated 30.12.2005. The Railways/PUs are again urged to assess their requirements correctly under the Voted Grants as well as the Charged appropriations and take all necessary steps to tighten the monitoring mechanism to avoid incidences of excess expenditure and also apply necessary corrective measures wherever required.

Please acknowledge receipt.

Sd./

(Meena Agarwal)
Executive Director Finance (Budget)
Railway Board

Recommendation

The Ministry of Railways also incurred an excess expenditure of Rs. 414.06 crore under two segments of the Voted Grants and three segments of Charged Appropriations of Grant No. 16—Works Expenditure—Assets—Acquisition,

Construction and Replacement *viz.* Capital (Rs. 283.11 crore) Special Railway Safety Fund (Rs. 128.61 crore) other expenditure—Railway Funds (Rs. 0.70 crore), Capital (Rs. 1.63 crore) and open line works (Revenue) (Rs. 491 crore). Excess expenditure under sections Capital and Special Railway Safety Fund has been attributed by Railways to increase in activities under restoration of dismantled lines, gauge conversion, doubling, signaling, telecommunication works, Electrification projects, passenger amenities, track, renewals and store suspense. The Committee feel that these activities undertaken by the Railways are routine in nature and the requirements for those could have been realistically planned/assessed and projected. Under other expenditure—Railway Funds, Capital & OLWR, it was due to more payments of court decrees than anticipated. The Committee are distressed to find that out of five Grants/ Appropriations under works expenditure Assets—Acquisition, Construction and Replacement, the excess expenditure under two Grants, namely Capital and Special Railway Safety Funds is more than Rs. 100 crore. In the opinion of the Committee, this state of affairs present a very dismal picture of the manner in which expenditure estimates are prepared in respect of Grant No. 16 by the Ministry of Railways. The Ministry should make earnest efforts to work out accurately the precise requirements of funds under different sections of this Grant. The Committee would also like the Ministry of Railways to impress upon their Financial Advisors to take utmost care in reviewing and scrutinizing the budget estimates and apply necessary corrective measures wherever required.

[Sl. No. 9, Paragraph 75 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Railways

The concern expressed by the Committee on the excess expenditure incurred under Demand No. 16 has been noted. The Ministry would like to submit to the Committee that earnest efforts are made by the Ministry to contain the expenditure of the Railways within the sanctioned grants.

The excess in the Voted Grants under Demand No. 16 was due to better progress of certain works identified as 'Last Mile Projects', which needed extra funds being on the verge of completion as also certain other works on which more expenditure was incurred on safety considerations. The excess in the charged segment was due to decretal payments arising out at the fag end of the financial year, which could not be included in the Supplementary Demands. However, the concern of the Committee has been conveyed to the units on earlier occasions also and has been reiterated *vide* letter No. 2005-B-110 (PAC) dated 16.02.06 (enclosed).

Sd./

(Sabita Gopal)
Adviser (Finance)
Railway Board

Ministry of Railways, O.M. No. 2005-BC-PAC/XIV/21 dated 30-06-2006

Government of India (Bharat Sarkar)

Ministry of Railways, (Rail Mantralaya) Railway Board

No. 2005-B-110 (PAC) New Delhi, 16-2-2006

The FA & CAOs,
All Indian Railways & PUs etc.

Sub: Excess over Voted Grants/Charged Appropriations.

There have been instances where the Railway Administrations are repeatedly involved in excess expenditure over and above the sanctioned expenditure both in the Voted and Charged segments. Needless to say that the expenditure has to be contained within the allotment sanctioned by the Parliament. Recurrent violation of this condition has been an area of serious concern and taken note of by the Ministry of Railways as well as other agencies from time to time.

Criticism has also come up recently in the PAC's 21st Report (Fourteenth Lok Sabha) on Excess over Voted Grants/Charged Appropriations (2003-04). The PAC has desired that the recurrent lapses on this account may be carefully looked into with a view to fixing responsibility at the appropriate level so that there is no recurrence of such excesses. While commenting on the excess expenditure incurred under Demand No. 16—Works Expenditure, the PAC has desired that the Ministry of Railways should impress upon their Financial Advisors to take utmost care in reviewing and scrutinizing the budget estimates and apply necessary corrective measures wherever required.

The concern of the Committee has already been conveyed to General Managers to all the Railways/PUs through Additional Member (Budget), Railway Board's letter No. 2005-B-342 dated 30.12.2005. The Railways/PUs are again urged to assess their requirements correctly under the Voted Grants as well as the Charged Appropriations and take all necessary steps to tighten the monitoring mechanism to avoid incidences of excess expenditure and also apply necessary corrective measures wherever required.

Please acknowledge receipt.

Sd./

(Meena Agarwal)
Executive Director, Finance (Budget)
Railway Board

Recommendation

Another disquieting feature noticed by the Committee is the extent of misclassification of expenditure in the compilation of accounts specially of the Railways. There have been misclassification of expenditure under five Grants/ Appropriations administered by the Ministry of Railways wherein excess expenditure

is sought to be regularised. Taking a serious view of the recurrence of misclassifications, the Committee have persistently been recommending for greater care to be exercised to avoid serious mistakes in proper upkeep and maintenance of books of accounts. The Committee are however, constrained to observe that the instructions issued so far in this connection have not yielded the desired result. On the other hand there has been further deterioration in the situation, as the cases of the misclassification have increased from three in the year 2002-03 to five during 2003-04. Obviously, the instructions in this regard were either not comprehensive or the concerned officials did not take utmost care to implement them properly. The Committee feel that one of the major reasons for misclassification is faulty reconciliation of the expenditure figures. The Committee, therefore, desire that suitable remedial measures should be taken to ensure that reconciliation of expenditure figures is conducted meticulously and annual certificate of reconciliation is furnished by the Financial Advisers after careful scrutiny. They hope that this would help in identifying the misclassifications well in time, thereby eliminating altogether chances of such mistakes.

[Sl. No. 11, Paragraph 77 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Railways

Recommendations of the Public Accounts Committee regarding Misclassification of expenditure have been noted. Necessary instructions already exist for close and concurrent review of the booking of expenditure at various levels; test check of allocations recorded on vouchers; prompt reconciliation of the subsidiary books with the General Books and fixing up of responsibility for clear lapses at suitable levels. The instructions in this regard are also being reiterated when detailed instructions are communicated for compiling the Appropriation Accounts with a view to ensure proper maintenance of accounts and more stringent scrutiny.

However, the instructions for adhering to accounting procedures, correct interpretation of allocation rules have been again reiterated to all accounting units on 07-03-2005. Action against staff responsible for misclassification is being regularly taken. It is hoped that with the above measures, and with increasing computerization of accounting systems, the incidence of misclassification will come down.

Sd/-

(Sabita Gopal)
Adviser (Finance)
Railway Board

[Ministry of Railways O.M. No. 2005-BC-PAC/XIV/21 dated 30-06-2006]

Recommendation

Subject to the Observations made in the preceding Paragraphs, the Committee recommend that the expenditure referred to in Para 13 of this Report be regularised in the manner prescribed in Article 115(1)(b) of the Constitution of India.

[Sl. No. 12, Paragraph 78 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Finance, Department of Economic Affairs

As recommended by the Public Accounts Committee, the Demands for Excess Grants for Expenditure of the Central Government (excluding Railways) relating to 2003-2004 were submitted to Parliament in the Budget Session, 2006. The Parliament has passed the Excess Demands for Grants. Necessary Appropriation Bill for regularising the money drawn in excess of the amount authorised by the Parliament for the year 2003-2004, has also been passed and the corresponding Act published in the Gazette of India (Extraordinary) Part-II, Section I dated 23-3-2006 as Act No. 15 of 2006, after obtaining assent of the President. In view of this, the excess amount drawn in 2003-2004 stands regularised. Action taken in this regard is, therefore, completed.

This Note has been vetted by Audit *vide* their U.O. No. RR/1-3/2006-07/227 dated 16th May, 2006

Sd/-
(L.M. VAS)
Joint Secretary (Budget)

Ministry of Finance, Department of Economic Affairs
(Budget Division), New Delhi-110 001

O.M. No. F.4 (11)-B (SD)/2006 dated 17th May, 2006

The original appropriation of Rs. 367078,53,00,000 was augmented by a supplementary grant of Rs. 21701,79,00,000 obtained in February, 2004. Against the final appropriation of Rs. 388780,32,00,000 the actual expenditure was Rs. 430963,05,71,247 resulting in an excess expenditure of Rs. 42182,73,71,247 which requires regularization. This excess expenditure was the net result of total excess of Rs. 106101.46 crore and total savings of Rs. 63918.72 crore under various sub-heads of the Appropriation. The excess expenditure was mainly under repayment of Ways and Means Advance (WMA). Under WMA, the revised estimates and final requirement as intimated by RBI was Rs. 53,537 crore against BE 2003-04 of Rs. 160000.00 crore. As such, out of balance amount of Rs. 106463.00 crore [*i.e.* Rs. 160000.00 crore (-) Rs. 53537.00 crore], Rs. 99726.52 crore was re-appropriated from the minor head and Rs. 6736.48 crore was surrendered. However, the actual expenditure under WMA was Rs. 96615.00 crore against final requirement of Rs. 53537.00 crore, as a result of which an excess expenditure of Rs. 43078.00 crore occurred under WMA alone. The excess expenditure under WMA was due to non-inclusion of actual recurse to overdraft (OD) while furnishing the estimates by RBI. The excess did not involve any cash outgo as it is netted against repayment of borrowings.

2. The above excess expenditure of Rs. 42182,73,71,247 has since been regularized in the manner prescribed in Article 115(1)(b) of the Constitution of India (copy enclosed) after the same was duly vetted by Audit *vide* their U.O.No.RR/1-31/ 2004-05/546 Dated 23.2.2006.

3. This has been vetted by Audit *vide* its U.O. No. RR/1-69/2005-06/2638 dated 3.4.2006.

Sd/-
(L.M. Vas)
Joint Secretary (Budget)

[Ministry of Finance, Department of Economic Affairs O.M.No. 9(2)-W&M/2006 dated 3-5-06.]

2003-2004 के संबंध में
केन्द्रीय सरकार के व्यय के लिए अतिरिक्त अनुदानों की मांगें
(रेलवे को छोड़कर)

DEMANDS FOR EXCESS GRANTS
for
EXPENDITURE OF THE CENTRAL GOVERNMENT
(Excluding Railways)

RELATING TO

2003-2004

संविधान के अनुच्छेद 115 के खण्ड (1)(ख) के अनुसरण में लोक सभा में प्रस्तुत
Presented to the Lok Sabha in pursuance of clause (1)(b) of Article 115 of the Constitution

[राष्ट्रपति की सिफारिश, जो मांगों को प्रस्तुत करने के लिए संविधान के अनुच्छेद 115 के खण्ड (1)(ख) और (2) के साथ पठित अनुच्छेद 113 के खण्ड (3) के अधीन आवश्यक है, प्राप्त कर ली गई है]

[The recommendation of the President, required under clause (3) of Article 113 read with clauses (1)(b) and (2) of Article 115 of the Constitution for making the Demands has been obtained]

मार्च/March, 2006

परिचायक टिप्पणियां
INTRODUCTORY NOTES

इस पुस्तिका में सम्मिलित अतिरिक्त अनुदानों की मांगें कतिपय मांगों, जो वर्ष 2003-2004 के लिए संसद द्वारा स्वीकृत राशियों की अपेक्षा अधिक हैं, के अधीन किए गए वास्तविक व्यय की द्योतक हैं।

The Demands for Excess Grants contained in this Volume represent the actual expenditure incurred during 2003-2004 under certain Demands which are in excess of the amounts granted by the Parliament for that year.

2. वर्ष 2003-2004 में 98 अनुदानों और 5 विनियोगों में से 7 अनुदानों और एक विनियोग के अंतर्गत 42,227.70 करोड़ रुपए का अतिरिक्त व्यय हुआ। इसमें से राजस्व भाग में 43.53 करोड़ रुपए तथा पूंजी भाग में 42,184.17 करोड़ रुपए का अतिरिक्त व्यय हुआ।

2. Out of 98 Grants and 5 Appropriations in 2003-2004, the excess expenditure occurred in 7 Grants and one Appropriation amounting to a total of Rs. 42,227.70 crore. Out of this, the excess of Rs. 43.53 crore occurred under Revenue Section and Rs. 42,184.17 crore under Capital Section.

3. संबंधित मांगों में अतिरिक्त व्यय के कारणों का उल्लेख इस पुस्तिका में अतिरिक्त अनुदानों की मांगों के विवरणों में किया गया है।

3. The reasons for excess expenditure in respective demands have been explained in the Excess Demand Statements contained in this booklet.

4. लोक लेखा समिति ने उपर्युक्त अतिरिक्त व्यय की जांच कर ली है, जिसने अपनी इक्सीसवीं रिपोर्ट (14वीं लोक सभा) के पैरा 13 के साथ पठित पैरा 78 में संविधान के अनुच्छेद 115(1)(ख) के अंतर्गत इसे नियमित किए जाने की सिफारिश की है।

4. The above excess have been scrutinised by the Public Accounts Committee, who, *vide* paragraph 78 read with paragraph 13 of their Twenty-First Report (Fourteenth Lok Sabha), have recommended their regularisation under Article 115(1)(b) of the Constitution of India.

ऋण की वापसी अदायगी

REPAYMENT OF DEBT

वित्त एवं कम्पनी कार्य मंत्रालय के अधीन विनियोग–**ऋण की वापसी अदायगी** के संबंध में 31 मार्च, 2004 को समाप्त वर्ष के लिए अनुदान से अधिक व्यय की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2004, in respect of the Appropriation—**REPAYMENT OF DEBT** under the **MINISTRY OF FINANCE AND COMPANY AFFAIRS.**

भारित: बयालीस हजार एक सौ बयासी करोड़ तिहत्तर लाख इकहत्तर हजार दो सौ सैंतालीस रुपए।

Charged: Forty two thousand one hundred eighty two crore seventy three lakh seventy one thousand two hunderd and forty seven rupees.

भाग Section	अन्तिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अतिरिक्त व्यय Excess
	रुपए Rs.	रुपए Rs.	रुपए Rs.
पूंजी Capital			
भारित Charged:	388780,32,00,000	430963,05,71,247	42182,73,71,247

388780,32,00,000 रुपए के अतिरिक्त विनियोग की तुलना में वास्तविक व्यय 430963,05,71,247 रुपए था जिसके परिणामस्वरूप 42182,73,71,247 रुपए अधिक व्यय हुआ जिसे विनियमित करने की जरूरत है। अधिक व्यय विनियोग के विभिन्न उप–शीर्षों के तहत 106101.46 करोड़ रुपए के कुल अधिक व्यय और 63918.72 करोड़ रुपए की कुल बचतों के निवल परिणाम के कारण था। अधिक व्यय मुख्य रूप से अर्थोपाय अग्रिमों की वापसी अदायगी के तहत हुआ। अर्थोपाय अग्रिम के तहत संशोधित अनुमान और भारतीय रिजर्व बैंक द्वारा बताई गई अंतिम आवश्यकता 160000.00 करोड़ रुपए के बजट अनुमान 2003–2004 की तुलना में 53,537.00 करोड़ रुपए थे। इसलिए, 106463.00 करोड़ रुपए की शेष धनराशि [अर्थात् 160000.00 करोड़ रुपए (–) 53537.00 करोड़ रुपए] में से

Against the final appropriation of Rs. 388780,32,00,000 the actual expenditure was Rs. 430963,05,71,247 resulting in an excess expenditure of Rs. 42182,73,71,247 which requires regularisation. The excess expenditure was on account of the net result of total excess of Rs. 106101.46 crore and total savings of Rs. 63918.72 crore under various sub-heads of the Appropriation. The excess expenditure was mainly under repayment of Ways and Means Advance (WMA). Under WMA, the revised estimates and final requirement as intimated by RBI was Rs. 53,537.00 crore against BE 2003-2004 of Rs. 160000.00 crore. As such, out of balance amount of Rs. 106463.00 crore [*i.e.* Rs. 160000.00 crore (-) Rs. 53537.00 crore], Rs. 99726.52 crore was

99726.52 करोड़ रुपए की राशि लघु शीर्ष से पुनर्विनियोजित की गई और 6736.48 करोड़ रुपए अभ्यर्पित किए गए। तथापि, अर्थोपाय अग्रिम के तहत वास्तविक व्यय 53537.00 करोड़ रुपए की अंतिम आवश्यकता की तुलना में 96615.00 करोड़ रुपए था जिसके परिणामस्वरूप केवल अर्थोपाय अग्रिम के तहत ही 43078.00 करोड़ रुपए का अधिक व्यय हुआ। अर्थोपाय अग्रिम के तहत अधिक व्यय भारतीय रिजर्व बैंक द्वारा अनुमान प्रस्तुत करते समय ओवर ड्राफ्ट की वास्तव में उपयोग की गई राशि को शामिल न किए जाने के कारण हुआ। इस अधिक व्यय में कोई नकद परिव्यय शामिल नहीं था क्योंकि इसे उधारों की वापसी अदायगी में से घटा दिया गया था।

re-appropriated from the minor head and Rs. 6736.48 crore was surrendered. However, the actual expenditure under WMA was Rs. 96615.00 crore against final requirement of Rs. 53537.00 crore, as a result of which an excess expenditure of Rs. 43078.00 crore occurred under WMA alone. The excess expenditure under WMA was due to non-inclusion of actual recourse to overdraft while furnishing the estimates by Reserve Bank of India. The excess did not involve any cash outgo as it is netted against repayment of borrowings.

Recommendation

Subject to the Observations made in the preceding Paragraphs, the Committee recommend that the expenditure referred to in Para 13 of this Report be regularized in the manner prescribed in Article 115 (1)(b) of the Constitution of India.

[Sl. No. 12, Paragraph 78 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Communications and Information Technology, Department of Telecommunications

Action has already been taken for regularization of the excess expenditure through Ministry of Finance in the Budget Session 2005-06 of Parliament.

This issues with the approval of Member (Finance).

Sd/-
(Annie Moraes)
DDG (FEB)

File No. 1-4/2006-B
Dated 9-3-2006

The Para has been vetted by Audit *vide* DGAP&T UO No. Rep. VI/1G400/*App.A* 2003-04/2 dt. 5.4.2006 with the remarks *"Seen Thanks"*.

Sd/-
19.4.06
ADG (AC)

Recommendation

Subject to the observations made in the preceding paragraphs, the Committee recommend that the expenditure referred to in Para 13 of this Report be regularized in the manner prescribed in Article 115 (1)(b) of this Constitution of India.

[Sl. No. 12, Paragraph 78 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Defence

Detailed note in respect of excess under the Grants was furnished to the Public Accounts Committee for their consideration and regularization of the excess in the manner prescribed in Article 115(1)(B) of the Constitution. The Committee has recommended regularization of the excess expenditure.

Sd/-
(Amit Cowshish)
Addl. FA (A) & JS

File No. 10(9)/B-I/2005

Recommendation

Subject to the observations made in the preceding paragraphs, the Committee recommend that the expenditure referred to in Para 13 of this Report be regularized in the manner prescribed in Article 115 (1)(b) of the Constitution of India.

[Sl. No. 12, Paragraph 78 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Railways

The excess expenditure incurred during 2003-04 has been regularized by Parliament in its Budget session (2006). A copy of the booklet 'Demands for Excess Grants 2003-04' is enclosed.

Sd/-
(Sabita Gopal)
Adviser (Finance)
Railway Board

[Ministry of Railways O.M. No. 2005-BC-PAC/XIV/21 dated 30-06-2006]

2002-2003

में

रेलवे पर केन्द्रीय सरकार के खर्च

के लिए

अनुदान की अतिरिक्त मांगें

DEMANDS FOR EXCESS GRANTS

FOR

EXPENDITURE OF THE

CENTRAL GOVERNMENT OF RAILWAYS

संविधान के अनुच्छेद 115 की धारा (1)(ख) के अनुसार लोक सभा के समक्ष प्रस्तुत

Presented to the Lok Sabha in pursuance of clause (1)(b) of Article 115 of the Constitution

[इन मांगों को पूरा करने के लिए भारतीय संविधान के अनुच्छेद 115 की धारा (1)(ख) और (2) के साथ पठित अनुच्छेद 113 की धारा (3) के अधीन राष्ट्रपति की अपेक्षित सिफारिश प्राप्त कर ली गई है**]**

[The recommendation of the President required under clause (3) of Article 113 read with clauses (1)(b) and (2) of Article 115 of the Constitution for making the Demands, has been obtained]

अगस्त/August, 2005

प्रस्तावना
INTRODUCTORY

इस पुस्तिका में सम्मिलित अनुदान की अतिरिक्त मांगें, 2002-03 के दौरान संसद द्वारा स्वीकृत राशि से अधिक किए गए खर्च से संबंधित हैं और ये भारत के संविधान के अनुच्छेद 115(1)(ख) के अन्तर्गत नियमित किए जाने के लिए प्रस्तुत की जा रही हैं।

The Demand for Excess Grants included in this Booklet relates to the expenditure during 2002-03 in Excess of amount granted by Parliament and are being presented for regularization under Article 115(1)(b) of the Constitution of India.

अनुदान सं॰ 14, 15 और 16 के स्वीकृत भाग के अंतर्गत कुल 319.42 करोड़ रु॰ और अनुदान सं॰ 3, 4, 6, 7, 8, 9, 11 और 16 के अंतर्गत प्रभृत विनियोग के अंतर्गत 4.23 करोड़ रु॰ का अधिक खर्च हुआ है।

Excess expenditure aggregating to Rs. 319.42 cr. occurred under 'Voted' portion of Grant Nos. 14, 15 and 16 and Rs. 4.23 cr. under Charged Appropriation under Grant Nos. 3, 4, 6, 7, 8, 9, 11 and 16.

अतिरिक्त खर्च के कारण नीचे दिए गए हैं:—
The reasons for excess are:—

स्वीकृत अनुदान
Voted Grants

अनुदान सं॰ 14: निधियों में विनियोग (211,15,37,616 रु॰):—वर्ष के दौरान आंतरिक संसाधनों में अप्रत्याशित वृद्धि के कारण रेल निधियों में अधिक विनियोग।

Grant No. 14: Appropriation to Funds—(Rs. 211,15,37,616)—Higher appropriation to Railway Funds due to unanticipated higher generation of internal resources during the year.

अनुदान सं॰ 15: सामान्य राजस्व को लाभांश, सामान्य राजस्व से लिए गए ऋण की अदायगी और अतिपूंजीकरण परिशोधन—(18,29,78,566 रु॰):—मुख्यत: आस्थगन के तहत नई लाइनों पर आस्थगित लाभांश की अदायगी के कारण हुआ है, जिसकी पहले प्रत्याशा नहीं की जा सकी।

Grant No. 15: Dividend to General Revenues, Repayment of Loans taken from General Revenues and Amortization of over-capitalization—(Rs. 18,29,78,566):—Mainly due to payment of deferred dividend on New Lines under moratorium not anticipated earlier.

अनुदान सं॰ 16: परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव—विशेष रेल संरक्षा निधि (89,96,61,642 रु॰):—रेलपथ नवीकरण, चल स्टाक आदि के अंतर्गत कार्यों की बेहतर प्रगति के कारण।

Grant No. 16: Assets—Acquisition, Construction and Replacement—Special Railway Safety Fund—(Rs. 89,96,61,642)—Due to better progress of works under Track Renewal, Rolling Stock etc.

प्रभृत विनियोग

Charged Appropriation

अनुदान सं॰ 3: रेलों पर सामान्य अधीक्षण और सेवाएं—(42,583 रु॰):—प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।

Grant No. 3: General Superintendence and Services on Railways—(Rs. 42,583):—Due to more decretal payments than anticipated.

अनुदान सं॰ 4: रेलपथ एवं निर्माण कार्यों की मरम्मत और अनुरक्षण—(56,91,681 रु॰):—प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।

Grant No. 4: Repairs & Maintenance of Permanent way & works—(Rs. 56,91,681):—Due to more decretal payments than anticipated.

अनुदान सं॰ 6: सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण—(4,87,252 रु॰):—अप्रत्याशित अदालती डिगरियों के भुगतान के कारण।

Grant No. 6: Repairs & Maintenance of Carriages & Wagons—(Rs. 4,87,252):—Due to unanticipated decretal payments.

अनुदान सं॰ 7: संयंत्र और उपस्कर की मरम्मत और अनुरक्षण—(4,23,077 रु॰):—प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।

Grant No. 7: Repairs & Maintenance of Plant & Equipment—(Rs. 4,23,077):—Due to more decretal payments than anticipated.

अनुदान सं॰ 8: परिचालन व्यय-चल स्टाक और उपस्कर—(2,07,459 रु॰):—प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।

Grant No. 8: Operating Expenses-Rolling Stock & Equipment—(Rs. 2,07,459):—Due to more decretal payments than anticipated.

अनुदान सं॰ 9: परिचालन व्यय-यातायात—(15,00,827 रु॰):—प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।

Grant No. 9: Operating Expenses—Traffic—(Rs. 15,00,827):—Due to more decretal payments than anticipated.

अनुदान सं॰ 11: कर्मचारी कल्याण और सुविधाएं—(14231 रु॰):—प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।

Grant No. 11: Staff Welfare & Amenities—(Rs. 14,231):—Due to more decretal payments than anticipated.

अनुदान सं॰ 16: परिसंपत्तियां-अधिग्रहण, निर्माण तथा बदलाव—अन्य व्यय-पूंजी—(3,39,49,633 रु॰):—प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।

Grant No. 16: Assets—Acquisition, Construction and Replacement—Other Expenditure-Capital—(Rs. 3,39,49,633):—Due to more decretal payments than anticipated.

लोक लेखा समिति (2004-05)—चौदहवीं लोक सभा ने अधिक खर्च की जांच करने के बाद स्वीकृत अनुदानों तथा प्रभृत विनियोगों (2002-2003) से अधिक खर्च से संबंधित अपनी दसवीं रिपोर्ट, के पैरा 79 में इस अधिक खर्च के विनियमन की सिफारिश की है।

The Public Accounts Committee (2004-05)—14th Lok Sabha after examining the excess have recommended its regularization *vide* para 79 of their 10th Report on Excess over Voted Grants and Charged Appropriations (2002-03).

अतिरिक्त खर्च की अनुदान-वार स्थिति संक्षेप में नीचे दी गई है:—

The Grant-wise position of the Excess is summarised below:—

(रुपयों में/in Rs.)

अनुदान की सं॰ No. of Grant	अनुदान Grant		अंतिम अनुदान/ विनियोग की राशि Amount of Final Grant/Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	पुस्तिका के पृष्ठ का संदर्भ Reference to page of the Booklet
	रेलों पर सामान्य अधीक्षण और सेवाएं	प्रभृत				
3	General Superintendence and Services on Railways	Charged	2,97,000	3,39,583	42,583	1
	रेलपथ एवं निर्माण कार्यों की मरम्मत और अनुरक्षण	प्रभृत				
4	Repairs and Maintenance of Permanent Way and Works	Charged	65,14,000	1,22,05,681	56,91,681	2
	सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण	प्रभृत				
6	Repairs and Maintenance of Carriages and Wagons	Charged	..	4,87,252	4,87,252	3
	संयंत्र और उपस्कर की मरम्मत और अनुरक्षण	प्रभृत				
7	Repairs & Maintenance of Plant & Equipment	Charged	1,32,000	5,55,077	4,23,077	4
	परिचालन व्यय—चल स्टाक और उपस्कर	प्रभृत				
8	Operating Expenses—Rolling Stock & Equipment	Charged	3,25,000	5,32,459	2,07,459	5
	परिचालन व्यय —यातायात	प्रभृत				
9	Operating Expenses—Traffic	Charged	10,00,000	25,00,827	15,00,827	6
	कर्मचारी कल्याण और सुविधाएं	प्रभृत				
11	Staff Welfare & Amenities	Charged	1,37,000	1,51,231	14,231	7

अनुदान की सं॰ No. of Grant	अनुदान Grant		अंतिम अनुदान/ विनियोग की राशि Amount of Final Grant/Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	पुस्तिका के पृष्ठ का संदर्भ Reference to page of the Booklet
	निधियों में विनियोग	स्वीकृत				
14	Appropriation to Funds	Voted	9858,16,46,000	10069,31,83,616	211,15,37,616	8
	सामान्य राजस्व को लाभांश, सामान्य राजस्व से लिए गए ऋण का भुगतान तथा अतिपूंजीकरण का परिशोधन	स्वीकृत				
15	Dividend to General Revenues, Repayment of Loans taken from General Revenues and Amortization of over-capitalization	Voted	2696,53,54,000	2714,83,32,566	18,29,78,566	9
	परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव—अन्य व्यय					
16	Assets—Acquisition, Construction and Replacement—Other Expenditure					10
	विशेष रेल संरक्षा निधि	स्वीकृत				
	Special Railway Safety Fund	Voted	2745,33,34,000	2835,29,95,642	89,96,61,642	
	पूंजी	*प्रभृत*				
	Capital	Charged	10,99,67,000	14,39,16,633	3,39,49,633	
	कुल/Total	स्वीकृत				
		Voted	15300,03,34,000	15619,45,11,824	319,41,77,824	
		प्रभृत				
		Charged	11,83,72,000	16,06,88,743	4,23,16,743	

मांग सं॰ 3—रेलवे
DEMAND NO. 3—RAILWAYS
राजस्व
REVENUE
रेलों पर सामान्य अधीक्षण और सेवाएं
GENERAL SUPERINTENDENCE AND SERVICES ON RAILWAYS

31 मार्च, 2003 को समाप्त वर्ष में रेलों पर सामान्य अधीक्षण और सेवाओं के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of General Superintendence and Services on Railways.

प्रभृत: केवल बयालीस हजार, पांच सौ तिरासी रुपये।

Charged: Rupees forty two thousand, five hundred eighty three only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
2,97,000	3,39,583	42,583	14,34%

यह मांग रेलों पर सामान्य अधीक्षण और सेवाओं पर खर्च के लिए है।

This Demand deals with the expenditure on General Superintendence and Services on Railways.

'प्रभृत' विनियोग के अंतर्गत 0.43 लाख रु॰ का अधिक खर्च, जो 2.97 लाख रु॰ के अंतिम विनियोग का 14.34 प्रतिशत बनता है, अदालती डिगरियों का प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 0.43 lakh under 'Charged' appropriation, which works out to 14.34 per cent of the Final Appropriation of Rs. 2.97 lakh, is due to more decretal payments than anticipated.

मांग सं॰ 4—रेलवे
DEMAND NO. 4—RAILWAYS
राजस्व
REVENUE
रेलपथ और निर्माण कार्यों की मरम्मत और अनुरक्षण
REPAIRS & MAINTENANCE OF PERMANENT WAY & WORKS

31 मार्च, 2003 को समाप्त वर्ष में रेलपथ और निर्माण कार्यों की मरम्मत और अनुरक्षण के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Repairs & Maintenance of Permanent Way & Works.

प्रभृत: केवल छप्पन लाख, इक्यानवे हजार, छ: सौ इक्यासी रुपये।

Charged: Rupees fifty six lakh, ninety one thousand, six hundred eighty one only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
65,14,000	122,05,681	56,91,681	87.38%

यह मांग रेलपथ और निर्माण कार्यों की मरम्मत और अनुरक्षण पर खर्च के लिए है।

This Demand deals with the expenditure on Repairs & Maintenance of Permanent Way & Works.

'प्रभृत' विनियोग के अंतर्गत 56.92 लाख रु॰ का अधिक खर्च, जो 65.14 लाख रु॰ के अंतिम विनियोग का 87.38 प्रतिशत बनता है, अदालती डिगरियों का प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 56.92 lakh under 'Charged' appropriation, which works out to 87.38 per cent of the Final Appropriation of Rs. 65.14 lakh, is due to more decretal payments than anticipated.

मांग सं॰ 6—रेलवे
DEMAND NO. 6—RAILWAYS
राजस्व
REVENUE
सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण
REPAIRS & MAINTENANCE OF CARRIAGES & WAGONS

31 मार्च, 2003 को समाप्त वर्ष में सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Repairs & Maintenance of Carriages & Wagons.

प्रभृत: केवल चार लाख, सत्तासी हजार, दो सौ बावन रुपये।

Charged: Rupees four lakh, eighty seven thousand, two hundred fifty two only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
..	4,87,252	4,87,252	+

यह मांग सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण पर खर्च के लिए है।

This Demand deals with the expenditure on Repairs & Maintenance of Carriages & Wagons.

'प्रभृत' विनियोग के अंतर्गत 4.87 लाख रु॰ का अधिक खर्च, अप्रत्याशित अदालती डिगरियों के भुगतान के कारण है।

The excess of Rs. 4.87 lakh under 'Charged' appropriation, is due to unanticipated decretal payments.

मांग सं॰ 7—रेलवे
DEMAND NO. 7—RAILWAYS
राजस्व
REVENUE
संयंत्र व उपस्कर की मरम्मत और अनुरक्षण
REPAIRS & MAINTENANCE OF PLANT & EQUIPMENT

31 मार्च, 2003 को समाप्त वर्ष में संयंत्र व उपस्कर की मरम्मत और अनुरक्षण के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Repairs & Maintenance of Plant & Equipment.

प्रभृत: केवल चार लाख, तेइस हजार, सतहत्तर रुपये।

Charged: Rupees four lakh, twenty three thousand, seventy seven only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
1,32,000	5,55,077	4,23,077	320.51%

यह मांग संयंत्र व उपस्कर की मरम्मत और अनुरक्षण पर खर्च के लिए है।

This Demand deals with the expenditure on Repairs & Maintenance of Plant & Equipment.

'प्रभृत' विनियोग के अंतर्गत 4.23 लाख रु॰ का अधिक खर्च, जो 1.32 लाख रु॰ के अंतिम विनियोग का 320.51 प्रतिशत बनता है, अदालती डिगरियों का प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 4.23 lakh under 'Charged' appropriation, which works out to 320.51 per cent of the Final Appropriation of Rs. 1.32 lakh, is due to more decretal payments than anticipated.

मांग सं॰ 8—रेलवे
DEMAND NO. 8—RAILWAYS
राजस्व
REVENUE
परिचालन व्यय–चल स्टाक और उपस्कर
OPERATING EXPENSES-ROLLING STOCK & EQUIPMENT

31 मार्च, 2003 को समाप्त वर्ष में परिचालन व्यय–चल स्टाक और उपस्कर के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Operating Expenses-Rolling Stock & Equipment.

प्रभृत: केवल दो लाख, सात हजार, चार सौ उनसठ रुपये।

Charged: Rupees two lakh, seven thousand, four hundred fifty nine only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
3,25,000	5,32,459	2,07,459	63.83%

यह मांग परिचालन व्यय–चल स्टाक और उपस्कर पर खर्च के लिए है।

This Demand deals with the expenditure on Operating Expenses - Rolling Stock and Equipment.

'प्रभृत' विनियोग के अंतर्गत 2.07 लाख रु॰ का अधिक खर्च, जो 3.25 लाख रु॰ के अंतिम विनियोग का 63.83 प्रतिशत बनता है, अदालती डिगरियों का प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 2.07 lakh under 'Charged' appropriation, which works out to 63.83 per cent of the Final Appropriation of Rs. 3.25 lakh, is due to more decretal payments than anticipated.

मांग सं॰ 9—रेलवे
DEMAND NO. 9—RAILWAYS
राजस्व
REVENUE
परिचालन व्यय–यातायात
OPERATING EXPENSES - TRAFFIC

31 मार्च, 2003 को समाप्त वर्ष में परिचालन व्यय–यातायात के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Operating Expenses - Traffic.

प्रभृत: केवल पन्द्रह लाख, आठ सौ सत्ताइस स्पये।

Charged: Rupees fifteen lakh, eight hundred twenty seven only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
10,00,000	25,00,827	15,00,827	150.08%

यह मांग परिचालन व्यय–यातायात पर खर्च के लिए है।

This Demand deals with the expenditure on Operating Expenses - Traffic.

'प्रभृत' विनियोग के अंतर्गत 15.01 लाख रु॰ का अधिक खर्च, जो 10.00 लाख रु॰ के अंतिम विनियोग का 150.08 प्रतिशत बनता है, अदालती डिगरियों का प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 15.01 lakh under 'Charged' appropriation, which works out to 150.08 per cent of the Final Appropriation of Rs. 10.00 lakh, is due to more decretal payments than anticipated.

मांग सं॰ 11—रेलवे
DEMAND NO. 11—RAILWAYS
राजस्व
REVENUE
कर्मचारी कल्याण और सुविधाएं
STAFF WELFARE AND AMENITIES

31 मार्च, 2003 को समाप्त वर्ष में कर्मचारी कल्याण और सुविधाओं के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Staff Welfare and Amenities.

प्रभृत: केवल चौदह हजार, दो सौ इक्कतीस रुपये।

Charged: Rupees fourteen thousand, two hundred thirty one only.

अंतिम विनियोग	वास्तविक व्यय	अधिक खर्च	अधिक खर्च का प्रतिशत
Final Appropriation	Actual Expenditure	Excess	Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
1,37,000	1,51,231	14,231	10.39%

यह मांग कर्मचारी कल्याण और सुविधाओं पर खर्च के लिए है।

This Demand deals with the expenditure on Staff Welfare and Amenities.

'प्रभृत' विनियोग के अंतर्गत 0.14 लाख रु॰ का अधिक खर्च, जो 1.37 लाख रु॰ के अंतिम विनियोग का 10.39 प्रतिशत बनता है, अदालती डिगरियों का प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 0.14 lakh under 'Charged' appropriation, which works out to 10.39 per cent of the Final Appropriation of Rs. 1.37 lakh, is due to more decretal payments than anticipated.

मांग सं॰ 14—रेलवे
DEMAND NO. 14—RAILWAYS
राजस्व
REVENUE
निधियों में विनियोग
APPROPRIATION TO FUNDS

31 मार्च, 2003 को समाप्त वर्ष में निधियों में विनियोग के संबंध में अनुदान से अधिक खर्च की राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Appropriation to Funds.

स्वीकृत: केवल दो सौ ग्यारह करोड़, पन्द्रह लाख, सैंतीस हज़ार, छः सौ सोलह रुपये।

Voted: Rupees two hundred eleven crore, fifteen lakh, thirty seven thousand, six hundred sixteen only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
9858,16,46,000	10069,31,83,616	211,15,37,616	2.14%

यह मांग निधियों में विनियोग पर खर्च के लिए है।

This Demand deals with the expenditure on Appropriation to Funds.

'स्वीकृत' भाग के अंतर्गत 211.15 करोड़ रु॰ का अधिक खर्च, जो 9858.16 करोड़ रु॰ के अंतिम अनुदान का 2.14 प्रतिशत बनता है आंतरिक संसाधनों में अनुमान से अधिक वृद्धि के कारण मूल्य ह्रास निधि व विशेष रेल संरक्षा निधि में अधिक विनियोग के कारण है।

The excess of Rs. 211.15 cr. under 'Voted' portion, which works out to 2.14 per cent of the Final Grant of Rs. 9858.16 crore, has occurred mainly due to generation of higher internal resources than anticipated enabling higher appropriation to Depreciation Reserve Fund and Special Railway Safety Fund under the Grant.

मांग सं॰ 15—रेलवे

DEMAND NO. 15—RAILWAYS

राजस्व

REVENUE

सामान्य राजस्व को लाभांश, सामान्य राजस्व से लिए गए ऋण की अदायगी तथा अतिपूंजीकरण का परिशोधन

DIVIDEND TO GENERAL REVENUES, REPAYMENT OF LOANS TAKEN FROM GENERAL REVENUES AND AMORTISATION OF OVER-CAPITALISATION

31 मार्च, 2003 को समाप्त वर्ष में रेलों पर सामान्य राजस्व को लाभांश, सामान्य राजस्व से लिए गए ऋण की अदायगी तथा अतिपूंजीकरण का परिशोधन के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Dividend to General Revenues—Repayment of Loans taken from General Revenues and Amortisation of over-Capitalisation.

स्वीकृत: केवल अठारह करोड़ उनतीस लाख, अठहत्तर हजार, पांच सौ छियासठ रुपये।

Voted: Rupees eighteen crore, twenty nine lakh, seventy eight thousand, five hundred sixty six only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
2696,53,54,000	2714,83,32,566	18,29,78,566	0.68%

यह मांग सामान्य राजस्व को लाभांश, सामान्य राजस्व से लिए गए ऋण के भुगतान तथा अतिपूंजीकरण के परिशोधन के लिए भुगतान पर खर्च के लिए है।

This Demand deals with the expenditure on Dividend to General Revenues—Repayment of Loans taken from General Revenues and Amortisation of over-Capitalisation.

'स्वीकृत' भाग के अंतर्गत 18.30 करोड़ रु॰ का अधिक खर्च, जो 2696.54 करोड रु॰ के अंतिम अनुदान का 0.68 प्रतिशत बनता है मुख्यत: आस्थगन के तहत नई लाइनों पर आस्थगित लाभांश की अदायगी के कारण हुआ है, जिसकी पहले प्रत्याशा नहीं की जा सकी।

The excess of Rs. 18.30 crore under 'Voted' portion, which works out to 0.68 per cent of the Final Grant of Rs. 2696.54 crore, has occurred mainly due to payment of deferred dividend on New Lines under moratorium not contemplated earlier.

मांग सं॰ 16—रेलवे

DEMAND NO. 16—RAILWAYS

परिसंपत्तियां-अधिग्रहण, निर्माण तथा बदलाव

ASSETS—ACQUISITION, CONSTRUCTION AND REPLACEMENT

31 मार्च, 2003 को समाप्त वर्ष में परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2003 in respect of Assets—Acquisition, Construction and Replacement.

(क) पूंजी

(A) Capital

प्रभृत: केवल तीन सौ उनतालीस लाख, उनचास हजार, छह सौ तैंतीस रुपये।

Charged: Rupees three hundred thirty nine lakh, forty nine thousand, six hundred and thirty three only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
1099,67,000	1439,16,633	339,49,633	30.87%

(ख) विशेष रेल संरक्षा निधि

(B) Special Railway Safety Fund

'स्वीकृत': केवल आठ हजार नौ सौ छियानवे लाख, इकसठ हजार, छह सौ बयालीस रुपये।

Voted: Rupees eight thousand nine hundred ninety six lakh, sixty one thousand, six hundred and forty two only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु॰ Rs.	रु॰ Rs.	रु॰ Rs.	
2745,33,34,000	2835,29,95,642	89,96,61,642	3.28%

यह मांग परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव पर खर्च के लिए है।

This Demand deals with the expenditure on Assets—Acquisition, Construction and replacement.

पूंजी में 'प्रभृत' विनियोग के अंतर्गत 339.50 लाख रुपये की वृद्धि, जो कि 30.87 प्रतिशत है, अदालती डिगरियों पर प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 339.50 lakh under 'Charged' appropriation under Capital, which works out to 30.87 per cent, is due to more decretal payment than anticipated.

विशेष रेलवे संरक्षा निधि में 'स्वीकृत' अनुदान के अंतर्गत 89.97 करोड़ रुपये की वृद्धि, जो कि 3.28 प्रतिशत है, मुख्यत: चल स्टाक, रेलपथ नवीकरण और पुल संबंधी कार्य योजना शीर्षों के अंतर्गत निर्माण कार्यों की बेहतर प्रगति के लिए प्रत्याशा से अधिक आवश्यकता को पूरा करने के लिए हुई है।

The excess of Rs. 89.97 crore under 'Voted' Grant under Special Railway Safety Fund, which works out to 3.28 per cent, has occurred mainly to meet the requirement for better progress of works under the planheads Rolling Stock, Track Renewals and Bridge Works than anticipated.

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT

—NIL—

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

With regard to submission of explanatory notes for 17 Grants/Appropriation, which registered excess expenditure during the year 2003-04, the Committee find that although the Ministries of Defence and Railways and Department of Telecommunications furnished the same within the prescribed time limit, there was inordinate delay in submission of explanatory notes by other Ministries/Departments ranging from one month to three months. It is pertinent to note in this regard that there is always delay on the part of Ministry of Finance in furnishing the explanatory notes on the excess expenditure. This delay usually ranges from one and half month to more than eight months. This year also, the explanatory notes on Appropriation No. 37—Repayment of Debt were received from them after three months of the presentation of the Appropriation Accounts (Civil) to the House. Belated submission of explanatory notes by the Ministry of Finance always hampers timely finalization of the Report of the Committee on excesses. Sometimes the said notes are not furnished to the Committee till the finalization of the Report. This tendency on the part of Ministry of Finance is in no way justifiable particularly when they have been issuing instructions to other Ministries/Departments for timely submission of the explanatory notes to the Committee. The Committee place on record their displeasure over the persistent tendency on the part of Ministry of Finance in furnishing requisite explanatory Notes. As it is desirable that excesses over Voted Grants and Charged Appropriations should be brought before Parliament for regularization expeditiously, the Committee would like the Ministry of Finance to look into matter and apprise them of the precise reasons for persistent delay on their part in timely submission of explanatory notes. The responsibility should be fixed on the officials for any laxity in this regard. The Committee would also like to point out that there are other Ministries/Departments also, who, at times submit explanatory notes quite late. These Ministries/Departments such as Home Affairs, Information Technology, Development of North Eastern Regions and Personnel, Public Grievances and Pensions, are also requested to ensure timely submission of the requisite notes.

[Sl. No. 3, Paragraph 69 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Finance, Department of Economic Affairs

The IIIrd Stage of Appropriation Accounts of Appropriation No. 37—Repayment of Debt for 2003-04 was received from the Office of the CGA during the second

week of December, 2004 for purpose of submission of detailed head-wise Explanatory Note to Monitoring Cell after the same is vetted by the Audit. In this regard, it may be stated that there was continuous effort on the part of Ministry of Finance for furnishing the above explanatory note as per the chronological events detailed below:

(i) For preparation of Explanatory Note, necessary information was called for from the Office of the Controller of Aid Accounts & Audit in respect of External Debt *vide* our letter dated 20.12.2004 and, in response, the said information was sent by that office *vide* their letter dated 27.1.2005.

(ii) The detailed Explanatory Note was accordingly prepared and sent to the Office of the DG Audit for vetting *vide* our letter dated 28.1.2005

(iii) The said Explanatory Note was returned by Audit *vide* their U.O. No. RR/1-31/2004-05/1969 dated 22.2.2005 with following comments:

(a) The reasons attributed for excess expenditure under the sub-heads may be given in detail for better appreciation of the matter by PAC.

(b) The remedial action taken to avoid recurrence of such instance in future may be indicated in the Note.

(c) It is mentioned that the Explanatory notes can be vetted finally only after finalization of the Head wise Appropriation Accounts for 2003-04.Till then, Ministry may keep the revised note with them and send it to audit for further vetting after finalization of the Head wise Appropriation Accounts for 2003-04.

(iv) The Head wise Appropriation Accounts for 2003-04 was laid before both the Houses of Parliament on 6.5.2005 as per Ministry of Parliamentary Affair's U.O. No. F. 28(3)/2005-Leg. I dated 2.5.2005.

(v) In response to this Ministry letter dated 6.4.2005, the Office of the Controller of Aid Accounts & Audit had furnished the information in respect of external debt for (iii) a & b above *vide* their letter dated 3.6.2005.

(vi) After meeting the observation of Audit for (iii) a & b, the revised Explanatory Note was sent to Audit on 22.7.2005 for vetting. Thereafter, two reminders were issued to Audit *vide* our letter dated 29.7.2005 and 2.8.2005 for its early vetting.

(vii) The Explanatory Note sent by Audit after vetting, *vide* their letter dated 10.8.2005, was sent to Monitoring Cell, Ministry of Finance *vide* this Division O.M. dated 16.8.2005.

2. From above, it may be seen that Explanatory Note was sent to Audit for vetting in time after its receipt from the Office of the CGA. The revised Explanatory Note was sent to Audit for further vetting after finalization of Head-wise Appropriation Accounts for 2003-04 and giving detailed reasons for excess *vis-a-vis* also indicating remedial action to avoid recurrence of such instance in future as per observation of Audit.

3. Though the Ministry of Finance was making continuous efforts to process the reply as expeditiously as possible, the Explanatory Note could only be submitted to Monitoring Cell after fulfilling the observations of Audit and obtaining the vetted Note from Audit. However, it will be the constant endeavour of Ministry of Finance to expedite every stage of the process by regular follow up with the concerned for ensuring timely submission of explanatory notes in future and the observations/ recommendations of the Committee have been noted for strict compliance.

4. This has been vetted by Audit *vide* its U.O. No. RR/1-69/2005-06/2638 dated 3.4.2006.

Sd/-
(L. M. Vas)
Joint Secretary (Budget)

[Ministry of Finance, Department of Economic Affairs O.M. No. 9(2)-W&M/ 2006 dated 3.5.06]

Recommendation

"With regard to submission of explanatory notes for 17 Grants/Appropriations, which registered excess expenditure during the year 2003-04, the Committee find that although the Ministry of Defence and Railways and Department of Telecommunications furnished the same within the prescribed time limit, there was inordinate delay in submission of explanatory notes by other Ministries/Departments ranging from one month to three months. It is pertinent to note in this regard that there is always delay on the part of Ministry of Finance in furnishing the explanatory notes on the excess expenditure. This delay usually ranges from one and half month to more than eight months. This year also, the explanatory notes on Appropriation No. 37 — Repayment of debt were received from them after three months of the presentation of the Appropriation Accounts (Civil) to the House. Belated submission of explanatory notes by the Ministry of Finance always hampers timely finalisation of the Report of the Committee on excesses. Sometimes the said notes are not furnished to the Committee till the finalisation of the Report. This tendency on the part of Ministry of Finance is in no way justifiable particularly when they have been issuing instructions to other Ministries/Departments for timely submission of the explanatory notes to the Committee. The Committee place on record their displeasure over the persistent tendency on the part of Ministry of Finance in furnishing requisite explanatory notes. As it is desirable that excesses over Voted Grants and Charged Appropriations should be brought before Parliament for regularization expeditiously, the Committee would like the Ministry of Finance to look into the matter and apprise them of the precise reasons for persistent delay on their part in timely submission of explanatory notes. The responsibility should be fixed on the officials for any laxity in this regard. The Committee would also like to point out that there are other Ministries/Departments also, who, at times submit expalanatory notes quite late. These Ministries/Departments such as Home Affairs, Information Technology, Development of North Eastern Regions and Personnel, Public Grievances and Pensions are also requested to ensure timely submission of the requisite notes".

[Sl. No. 3, Paragraph 69 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Home Affairs

It is submitted here that in November 2004, it was brought to the notice of the Ministry by the Principal Accounts Office of Cabinet Grant (PAO, Ministry of Personnel, Public Grievances and Pensions) that an excess of Rs. 5.59 lakh had occurred under Revenue Section (Charged) of the Grant and an 'Explanatory Note' for this excess was required to be furnished to Office of the Controller General of Account, Ministry of Finance and Office of the Director General of Audit, Central Revenues alongwith Stage-III of the Head wise Appropriation Account of the Grant (copy enclosed).

2. After obtaining the necessary information from all concerned, the 'Explanatory Note for Excess' was prepared and the same was furnished to PAO on 15.12.2004 for its onward transmission to the aforesaid offices (copy enclosed).

3. In the last week of February 2005, it was informed by the PAO that Office of the Director General of Audit, Central Revenues had suggested some corrections in the 'Explanatory Note for Excess', sent to them for vetting (copy enclosed).

4. After carrying out the desired corrections, the revised 'Explanatory Note for Excess' was sent to PAO on 14th March, 2005 for its onward transmission to Office of the Director General of Audit, Central Revenues, for further vetting as desired by them (copy enclosed).

5. The 'Explanatory Note for Excess', duly vetted by Office of the Director General of Audit, Central Revenues was received in the Ministry only on 19th May, 2005 (copy enclosed). After getting the final 'Explanatory Note' translated into Hindi, the same was furnished to Ministry of Finance (Monitoring Cell) on 6th June 2005 alongwith requisite number of copies in English and Hindi Versions (copy enclosed).

6. It may kindly be seen from above that although the Ministry had initiated action in November 2004 itself to make available the PAC, the 'Explanatory Note for Excess' in time, the same could only be finalised and furnished on 6th June, 2005, *i.e*., after the delay of one month from the date the 'Appropriation Account' of the Grant was laid on the Table of the House.

7. Notwithstanding the reasons stated for the belated submission of the 'Explanatory Note for Excess', the inconvenience caused to PAC is regretted. In future, more efforts will be made to adhere to the time-limit prescribed in this regard.

Sd/-

(N.A. Viswanathan)
Additional Secretary & Financial Adviser (Home)

[Ministry of Home Affairs O.M. No. 28/15/2005-Bgt. I dated 23.01.2006]

(This 'Action Taken Note' has been vetted by O/o DGACR vide their U.O. No. RR/6-24/2005-06/425 dated 12th January, 2006).

Most Immediate

Time Bound

No. 13/1/2004-Bgt.I
Government of India
Ministry of Home Affairs

6 June, 2005
New Delhi, the 27th/30th May 2005

Office Memorandum

Subject: 'Explanatory Note for Excess' for the excess expenditure which occurred under Revenue Section (Charged) of Grant No. 52—Cabinet during the financial year 2003-04.

The undersigned is directed to forward herewith *45 copies of English version* and *15 copies of Hindi version* of the above state **'Explanatory Note for Excess',** for necessary action.

2. The **'Explanatory Note for Excess'** has been vetted by Office of the DGACR *vide* their U.O. No. RR/6-16/2004-05/80 dated 6th May, 2005.

Sd/-

(S.C. Saksena)
Under Secretary to the Government of India
Tel. No. 23092784

Enclosures: As above.

To

Ministry of Finance,
Department of Expenditure,
(Monitoring Cell),
Room No. 29, IInd Floor,
Lok Nayak Bhawan,
New Delhi-110003

6 June, 2005
No. 13/1/2004-Bgt.I New Delhi, the 27th/30th May 2005

Copy with enclosures (one copy each of English and Hindi Versions) all forwarded to:—

1. Office of the Director General of Audit, Central Revenues (Shri Rajeev Kumar Senior Audit Officer (RR), AGCR Building, I.P. Estate, New Delhi, w.r.t. the U.O. Note cited above.
2. The Comptroller and Auditor General of India, Bahadur Shah Jafar Marg, New Delhi.
3. Controller General of Accounts, Ministry of Finance, Lok Nayak Bhawan, New Delhi.
4. Guard file.

Spare Copies-10

Sd/-
(S.C. Saksena)
Under Secretary to the Government of India
Tel. No. 23092784

No. 13/1/2004-Bgt.I
Government of India
Ministry of Home Affairs

Explanatory Note for Excess

Note for Public Accounts Committee in respect of Excess Expenditure occurred under Revenue Section (Charged) of Grant No. 52-Cabinet as disclosed in the Union Government Appropriation Accounts (Civil) for the year 2003-04.

Revenue Section (Charged)	(Rupees in thousands)
Original Grant	12,00
Supplementary Grant	7,00
Total Grant	19,00
Actual Expenditure	24,59
Excess	5,59

2. Under Revenue Section (Charged), the Original Provision was Rs. 12,00 thousand. A Supplementary Grant of Rs. 7,00 thousand was obtained in the Third Batch of Supplementary Grants for 2003-04 for settlement of Motor Accident Claims Tribunal cases pertaining to Special Protection Group making the Total Provision of Rs. 19,00 thousand for Charged Expenditure. Against this the actual expenditure was 24,59 thousand, resulting in excess expenditure of Rs. 5,59 thousand.

3. The excess of Rs. 5,59 thousand was the net effect of total excess of Rs. 9.98 thousand and total saving of Rs. 4,39 thousand under various sub-heads of the Grant. The sub-head under which the excess expenditure of Rs. 5,00 lakh and above occurred and reasons therefor are explained below:

Major Head "2013"
Council of Ministers
2013.00.107-Prime Minister's Office
2013.00.107.01-Establishment

	(Rupees in lakh)
Original Grant	0.00
Supplementary Grant	Nil
Total Grant	0.00
Actual Expenditure	7.58
Excess	7.58

Reasons for excess expenditure

After the Final Batch of Supplementary was finalized and the amount was received for Special Protection Group, the Prime Minister's Office received a decree from the Court for which they needed an amount of Rs. 9,00 thousand for settlement of payment of the Court Case. Since the payment could not be postponed till the next Financial Year and the Parliament was not in session, PMO took an advance of

Rs. 9,00 thousand from the Contingency Fund of India and made the payment of Rs. 7,58 thousand only. The remaining amount was surrendered.

In the normal course, all advances taken from Contingency Fund of India have to be re-couped by taking a Supplementary Grant before the closure of Financial Year. In the instant case, since the Lok Sabha was dissolved in February, 2004 and was reconstituted only in June, 2004 the requisite Supplementary Grant for recouping the advance from the Contingency Fund of India could not be taken.

In terms of the amendment in the rule 8(3) to the Contingency Fund of India inserted through an amendment notified in Gazette dated 07.01.1989 (copy enclosed):—

> "Any advance taken from Contingency Fund which remains unresumed under Sub-rule 2 at the end of the Financial Year in which it was sanctioned should be regularised as excess expenditure under Sub-clause (b) of clause (1) of Article 115 of the Contingency Fund of India through an excess demand. In cases where the final Appropriation Accounts do not show any excess under a particular service and an unrecovered Contingency Fund remains for that service, a token excess demand will be presented for the purpose of recoupment of the advance after 31st day of March of that year".

In the instant case, the appropriation accounts showed an amount of Rs. 5,59 thousand excess ecpenditure under the Charged Portion of the Revenue Section against the actual excess expenditure of Rs. 7,58 thousand in PMO since savings were available after taking into account re-appropriated provisions under Central Bureau of Investigation (Rs. 1,10 thousand) and Special Protection Group (Rs. 89 thousand).

Remedial Action Taken

No remedial action is required in this case since the excess expenditure was incurred due to reasons (dissolution of Lok Sabha) beyond the control of the Ministry. However, instructions have already been issued to all concerned that they should thoroughly review and scrutinize Budget Estimates at the Supplementary Stage itself so as to avoid instances of Excess Expenditure *vide* para 8 of instructions issued *vide* F. No. 10/34/2004-Budget I, dated 3rd November, 2004 (copy enclosed):—

(This Excess Note has been vetted by O/o DGACR *vide* their U.O. No. RR/6-16/ 2004-05/80 dated 6.5.2005)

Sd/-

(N.A. Viswanathan)
Addl. Secretary & Financial Advisor (Home)
Tel. No. 2309-2431

MOST IMMEDIATE

F.No. 10/34/2004-Bgt.I
Ministry of Home Affairs
(Budget-I Section)

3 November, 2004

New Delhi, dated 2nd November, 2004.

Subject: Management of Budgetary Provisions in MHA.

Kind attention is invited to instructions issued *vide* F.No. 10/27/2003-Bgt.I dated 20th August, 2002 by Home Secretary regarding Management of Budgetary Provisions in different Grants of MHA.

These instructions *inter-alia* cover the deficiencies pointed out by Audit/PAC from time to time regarding unspent provisions, preparation of Budget Estimates, provisions to be made for new schemes/projects, surrender of savings, supplementary grants and rush of expenditure during the last month and last quarter of the financial year.

1.2 In addition to the above AS & FA (Home) and CCA (Home) have also been drawing the attention of all Joint Secretaries and Directors and Deputy C.As and PAOs to the need for strict observance of the various provisions on Budgetary Control and Management.

1.3 While there is some improvement during the year ending 31st March 2004 in respect of unspent provisions and surrender of savings, there are still cases where rush of expenditure during the last quarter and last month of the financial year were reported. There were also cases where excess expenditure was incurred over and above the budgetary provision. As such the instructions on the Management of Budget Provisions are reiterated as below:—

2. Unspent provisions

2.1 Budget Estimates should be made in such a manner that the provision is sufficient for all essential expenditure and that there are no savings at the end of the year. While minor savings/excess expenditure may be justified, large savings of Rs. 100 cr. and above in a grant is not at all acceptable.

2.2 It is, therefore, necessary and Administrative and Financial Authorities in Ministries and Heads of Departments take appropriate steps to ensure that Budget Estimates are prepared as accurately as possible, expenditure is contained within the authorized provision and savings under various Heads are imtimated for surrender or re-appropriation as soon as they are foreseen.

3. Preparation of Budget Estimates

3.1 Rule 54 of the General Financial Rules provides that the estimates of expenditure proposed by the Estimating Authorities should be scrutinized by the Heads of the Departments concerned to see that occurrence of large savings is avoided.

4. Provision for new Schemes/Projects

4.1 There have been many instances of seeking funds for activities in anticipation of required approvals for the scheme and, year after year, provisions for such schemes remain unutilized.

4.2 General Financial Rules provide that no expenditure shall be incurred during a financial year on a New 'New Service' not contemplated in the Annual Budget for the year except after obtaining a Supplementary Grant or appropriation or an advance from the Contingency Fund during that year.

4.3 As the system of seeking supplementary Grant for a 'New Service' exists, it is safer not to provide funds in the Budget for a new project and to seek Supplementary Grant only after the scheme/project has been approved.

4.4 It is, therefore, necessary to ensure that no provision is made for new projects/schemes, while submitting Budget Estimates to the Ministry and suitable Supplementary Grant is obtained for any new scheme/project only after its due approval by the competent authority.

5. Surrender of Savings

5.1 Rule 69 of the General Financial Rules provides that Departments of Central shall surrender to the Finance Ministry, before the close of the financial year, all anticipated savings noticed in the grants or appropriation controlled by them. **Note 1 to this Rule also provides that the savings should be surrendered immediately when they are foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at that time and no savings should be held in reserve for possible future excesses.**

5.2 However, it has been observed in the past that the savings are reported only at the fag end of the year, that too after reminders are sent by the IFD. Such action on the part of the Competent Financial Authorities/administrative authorities go against the provisions of the General Financial Rules. **If savings are reported, as and when they are observed, such savings can be utilized for other pressing/ additional requirements by way of appropriation.**

5.3 Audit have also observed more than once that the surrenders in certain Grants at the end of the year were much less than the savings in the Grants. This was due to non-reporting of savings by the concerned administrative authorities in time. Audit have also observed a very disturbing trend where surrenders in a particular Grant at the end of the year were more than savings finally occurring in that Grant. This generally happens when the spending authorities incur expenditure more than the final estimates already reported by them to Budget Section.

5.4 It is, therefore, desirable that after periodical review of the budgetary provisions, requirement of funds and the progress of expenditure. If savings or excess under any head are likely to occur, the same should be immediately reported to IFD without waiting until the close of the year so that the available savings could be adjusted against the excess expenditure elsewhere through suitable re-appropriation.

5.5 In order that this system is really effective and meaningful, AS/JSs of Divisions and Heads of Departments may kindly have a regular monthly meeting and review the progress of expenditure *vis-a-vis* Budgetary provision in respect of all items/schemes under their charge each Grant-wise and assess the likely savings/requirements for balance period of financial year taking into consideration the commitments already made and likely to arise and infrom IFD/CCA(H) the expected levels of expenditure and also intimate savings available for re-appropriation.

6. Supplementary Grants

6.1 There have also been instances where additional funds were sought by a adminstrative units but the actual expenditure was less than even the original provision. Thus, seeking of Supplementary Grant not only did not serve the desired purpose for such units, it also deprived other units who could not be provided more funds even for their more pressing requirements.

6.2 Instances have also been brought to notice where Supplementary Grants sought for a particular "Object Head" were utilized in full but savings occurred in other "Object Heads" of the same "Sub-Head" resulting in net savings in the Sub-Head".

6.3 Such instances also point to the bad financial management and attract adverse audit observations.

6.4 **Therefore, before seeking additional funds by way of Supplementary Grants, the available funds in different object heads should be fully reviewed and if any savings are possible in any of the object heads, such savings should be utilized to meet additional requirement through re-appropriating the funds and Supplementary Grants should be sought only for balance requirement.** Further, to avoid situations where additional funds sought in the last batch of supplementaries result in savings, such additional funds, if required, should as far as possible be sought in the second batch of supplementaries (Winter Session of Parliament).

6.5 In the Final Batch of Supplementary, funds should be sought only for those activities for which additional funds can be fully utilized before close of the financial year.

7. Rush of Expenditure

7.1 Rule 69 of the General Financial Rules also provide that the Rush of Expenditure, particularly, in the closing month of the financial year shall be regarded as breach of financial regularity and should be avoided. Audit have also adversely commented upon the trend of disproportionately large expenditure in the month of March and the last quarter of the year.

7.2 Through circular No. OM(12)2/Ecord/2001 dated 11th June, 2001 and No. 4(36)B(SD)/2000 dated 13th July, 2001, Department of Expenditure informed Ministries/ Departments about the adverse observations of Public Accounts Committee on the rush of expenditure in the month of March, Instructions have already been issued, from time to time, to ensure that the rush of expenditure in the month of March and last quarter of the year, should be avoided by close monitoring of the expenditure.

7.3 In this regard attention is also invited to circular No. 10/27/2002-bgt.I dated 12th June, 2003 wherein instructions received from Secretary (Expenditure) was circulated wherein all Ministries/Departments were asked to ensure that not more than 33% of the outlay is released in the last quarter of the year.

8. Excess Expenditure

8.1 The Public Accounts Committee in their 58th Report, (13th Lok Sabha) has taken a very serious view of the Instance of persistent excess expenditure over the voted grants and charged expenditure, particularly in those cases where the excess expenditure has been incurred in spite of taking Supplementary Grants. The observations of the Committee have been circulated *vide* O.M.No. 10/34/2004-Budget I dated 14th September, 2004.

8.2 These instructions stipulate that **Ministries/Departments should thoroughly review and scrutinize the Budget Estimates at the supplementary grant stage itself so as to obtain the supplementary Demand not so casually but in rare and emergent cases only and to avoid instances of excess expenditure.**

9. Revised Estimates

9.1 After discussions with the Ministry of Finance, the Revised Estimates figures are communicated to all concerned by Budget Division of the Ministry.

9.2 It may be noted that the ceilings thus intimated do not per se authorize any expenditure beyond the BE provision till the same is approved by FA(H)/Secretary (Expenditure) through suitable re-appropriation or supplementary grant. However, where the provisions have been reduced in the RE below the BE provision, the expenditure should be kept within the RE ceiling so fixed.

9.3 Individual proposals for seeking approval of FA(Home)/Secretary (Expenditure) to the re-appropriation wherever required under extant Rules & Instructions (*Vide* rule 10—Delegation of Financial Powers Rules and Orders issued thereunder) should be sent to us separately immediately. The expenditure over and above the BE provisions should be incurred only after receipt of suitable Re-appropriation Orders or Supplementary Grant.

9.4 All the Budget Controlling Authorities are requested to follow the above instructions scrupulously so that objections from Audit are avoided to the maximum extant possible.

Sd/-

(N.A. VISWANATHAN)

ADDITIONAL SECRETARY & FINANCIAL ADVISOR (HOME)

To,

1. All Joint Secretaries of MHA & RGI
2. All Additional Secretaries and Joint Secretaries of Deptt. of Justice/DoPT/ Min. of DONER for ensuring suitable action.
3. Others as per Standard List
4. Copy for kind information to AS(BM), AS(J), AS(CS) and PPS to HS/PPS to Secretary (BM)/PPS to Secretary(P)/PPS to Secretary, DONER

Sd/-

(JAWAHAR THAKUR)

CHIEF CONTROLLER OF ACCOUNTS (HOME)

COPY FORWARDED TOGETHER WITH ENCLOSURE:—

1. Shri Daya Shankar Pandey, Asstt. Director (Budget), Central Translation Bureau, Deptt. of Official Language, CGO Complex, Lodhi Road, New Delhi.
2. Shri Om Prakash, Fire Advisor, D.G.C.D., East Block VIII, Level VII, R.K. Puram (Main), New Delhi-66
3. Shri V.K. Sharma, Deputy Director (Budget), O/o the Registrar General of India, Man Singh Road, New Delhi.
4. Shri S. Hariharan, Asstt. Director, Intelligence Bureau, New Delhi.
5. Shri K.M. Nandyal, Director, National Civil Defence College, Ministry of Home Affairs, Nagpur-440001.
6. Shri P.B. Rajappan, Under Secretary, Inter-State Council Sectt., Vigyan Bhavan, Annexe, New Delhi.
7. Shri Brij Mohan Negi, Director (Policy), Deptt. of Official Language, Lok Nayak Bhavan, New Delhi.
8. Shri R.A. Singh, Senior Accounts Officer, National Human Rights Commission, Sardar Patel Bhavan, New Delhi.
9. Shri Sudersan Kumar, Deputy Secretary, Zonal Council Sectt., Jam Nagar House, New Delhi.
10. Shri A. Mohanan, Under Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
11. Shri M. Rai, Under Secretary, O/o Principal Scientific Adviser to the Govt. of India, 310-A, Vigyan Bhavan Annexe, New Delhi.
12. Shri C.A. Subrahmanian, Deputy Secretary, National Security Council Sectt., East Block No. 10, Level-4, R.K. Puram, New Delhi.
13. Shri P.K. Roy, Under Secretary, Prime Minister's Office, South Block, New Delhi.
14. Shri Likhi Ram, Section Officer, President's Sectt., New Delhi.
15. Shri K.K. Bajaj, Under Secretary, M&G Section, MHA, North Block, New Delhi.
16. Shri J.L. Sharma, AIG (Accounts), Special Protection Group, SPG Complex, Dwarka, Sector-9, New Delhi.
17. Dr. K.C. Wadhwa, Director, National Fire Service College, Ministry of Home Affairs, Nagpur-440001.
18. Shri Rajiv Walia, Dy. Director-General, Narcotics Control Bureau, West Block No. 1, Wing No. 5, R.K. Puram, New Delhi.
19. Shri P. Venugopal, Administrative Officer, Sardar Vallabhbhai Patel National Police Academy, Ministry of Home Affairs, Hyderabad-500053.

20. Shri Pinaki Sengupta, Administrative Officer, LNJP National Institute of Criminology & Forensic Science, Ministry of Home Affairs, Sector-3, Outer Ring Road, Rohini, Delhi-110085.

21. Shri A.K. Sood, Joint Asstt. Director, Bureau of Police, Research & Development, CGO Complex, Lodhi Road, New Delhi.

22. Shri Sarabjit Singh, Director-General, Central Forensic Science Laboratory (BPR&D), Block No. 4, 4th Floor, CGO Complex, Lodhi Road, New Delhi.

23. Shri R.P. Sharma, Suppdt., Central Forensic Science Laboratory (CBI), Block No. 4, 4th Floor, CGO Complex, Lodhi Road, New Delhi.

24. Shri Manmohan, Administrative Officer (FS), Directorate of Forensic Science CGO Complex, New Delhi.

25. Shri A.K. Sood, Asstt. Director (Admn.), Central Detective Training School, CGO Complex, New Delhi.

26. Shri Praveen Kumar, Deputy Financial Adviser, Central Reserve Police Force, CGO Complex, Lodhi Road, New Delhi.

27. Shri P.K. Guta, Sr. Accounts Officer, Directorate of Assam Rifles, Shillong.

28. Shri R.P. Joshi, Asstt. Commandant (Finance), Border Security Force, Block No. 1, CGO Complex, Lodhi Road, New Delhi.

29. Shri P.D. Sharma, Deputy Chief Accounts Officer, Indo-Tibetan Border Police, Block No.II, CGO Complex, Lodhi Road, New Delhi.

30. Shri O.P. Nimesh, Senior Accounts Officer, National Security Guard, CGO Complex, Lodhi Road, New Delhi.

31. Shri R.D. Sharma, Asstt. Director (Accounts), Central Industrial Security Force, 13, CGO Complex, Lodhi Road, New Delhi.

32. Shri B.S. Dhupia, Assistant Director, National Crime Records Bureau, East Block No. 7, R.K. Puram, New Delhi-110066.

33. Shri Rajan Kumar, FA to Commissioner of Police, Delhi Police, I.P. Estate, New Delhi.

34. Shri Hans Raj, Accounts Officer, Directorate of Coordination, Block No. 9, CGO Complex, Lodhi Road, New Delhi.

35. Shri J.S. Chambial, D.I.G., Sashastra Seema Bal, Block No. V (East), R.K. Puram, New Delhi-110066.

36. Dr. M.S. Rao, Chief Forensic Scientist, Directorate of Forensic Science, Block No.4, 4th Floor, CGO Complex, Lodhi Road, New Delhi.

37. Shri Rakesh Bhatnagar, Asstt. Financial Adviser (B-I), Ministry of Defence (Finance), South Block, New Delhi.

38. Dr. Mukul Chatterjee, Director (Finance), National Technical Facilities Organisation, Room No. 309, 3rd Floor, Sardar Patel Bhavan, New Delhi.

39. The Sr. Account Officer, Pay & Account Office (P&M), Jam Nagar House, New Delhi.

40. Shri Dharmendra, Secretary (Finance), U.T. Admn. of Daman & Diu. Moti Daman, DAMAN.

41. Shri Dharmendra, Secretary (Finance), U.T. Admn. of Dadra & Nagar Haveli, Silvassa.

42. Shri Madhup Vyas Secretary (Finance), U.T. Admn. of Lakshadweep, KAVARATTI.

43. Shri K. Avtar Singh, Secretary (Finance), U.T. Admn. of Chandigarh, CHANDIGARH.

44. Shri P.K. Goel, Secretary (Finance), U.T. Admn. of A & N Islands, PORTBLAIR

45. Shri S.B. Doval, Under Secretary (Planning Cell), Ministry of Home Affairs, North Block, New Delhi.

46. Shri Pooran Chand, Under Secretary (Bgt. II) Ministry of Home Affairs, North Block, New Delhi.

47. Anil Kumar, Sr. Accountat, O/o CCA (Home) MHA, North Block, New Delhi.

48. Shri K.C., Yadav, Under Secretary, Admn. (CD), Jaisalmer House, Man Singh Road, New Delhi.

49. S/Shri P.S. Dravaria, S.O./Y. Srinivasulu, Asstt./Smt. Anitha K.P., UDC, Budget-I Section, Ministry of Home Affairs, New Delhi.

50. Sr. Accounts Officer, PAO (A/cs), C-I Hutments, Dalhousie Road, New Delhi.

Copy also forwarded for information to:

P.S. to FA (Home)/P.S. to CCA (Home).

Sd/-

(M.P. Rao)
Deputy Secretary to the Govt. of India
Tel. No. 2309-2784

SPARE COPIES-25

रजिस्ट्री सं॰ डी॰—(डी.एन.)—128 REGISTERED NO. D—(D.N.)—128

भारत का राजपत्र
The Gazette of India

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं॰ 1] नई दिल्ली, शनिवार, जनवरी 7, 1989/ पौष 17, 1910
No. 1] NEW DELHI, SATURDAY, JANUARY 7, 1989 / PAUSA 17, 1910

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

भाग II—खण्ड 3— उप-खण्ड (i)
PART II—Section 3—Sub-section (i)

(रक्षा मंत्रालय को छोड़कर) भारत सरकार के मंत्रालयों और (संघ राज्य क्षेत्र प्रशासनों को छोड़कर) केन्द्रीय अधिकारियों द्वारा विधि के अन्तर्गत बनाए और जारी किए गए साधारण नियम,

(जिनमें साधारण प्रकार के आदेश, उपनियम आदि सम्मिलित हैं)।

General Statutory Rules (including Orders, Bye-laws etc. of a general Character) issued by the Ministries of the Government of India (other than the Ministry of Defence) and by the Central Authorities (other than the Administrations of Union Territories)

वित्त मंत्रालय

(आर्थिक कार्य विभाग)

(बजट प्रभाग)

नई दिल्ली, 26 दिसम्बर, 1988

सा॰का॰नि॰ 1: भारत की आकस्मिकता निधि अधिनियम, 1950 (1950 का XLIX) की धारा 4 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्रीय सरकार भारत की आकस्मिकता निधि नियमावली, 1952 में और संशोधन करने के लिए एतत्द्वारा निम्नलिखित नियम बनाती है, अर्थात:–

1. (1) इन नियमों को भारत की आकस्मिकता निधि नियमावली, 1988 कहा जाएगा।

(2) ये सरकारी राजपत्र में उनके प्रकाशन की तारीख से प्रवृत्त होगें।

2. भारत की आकस्मिकता निधि नियमावली, 1952 में,—

(क) नियम 7 में,—

''महालेखाकार'' शब्दों के स्थान पर ''लेखा परीक्षा निदेशक'' शब्द प्रतिस्थापित किए जाऐंगे,

(ख) नियम 8 में, उप-नियम (2) के पश्चात् निम्नलिखित उप-नियम समाविष्ट किया जाएगा, अर्थात्:—

''(3) आकस्मिकता निधि से लिए गए प्रत्येक अग्रिम को जो उस वित्तीय वर्ष के अन्त में, जिसमें इसके लिए मंजूरी दी गई थी, उप नियम (2) के अन्तर्गत निधि में प्रत्यासेर्तित न हुआ हो, भारत के संविधान के अनुच्छेद 115 के खण्ड के उप-खण्ड (ख) के अन्तर्गत, अतिरिक्त व्यय संबंधी मांग के माध्यम से अतिरिक्त व्यय के रूप में विनियमित किया जाएगा। ऐसे मामलों में जिनमें अन्तिम विनियोग लेखे किसी सेवा विशेष के अन्तर्गत हुए किसी अतिरिक्त व्यय को प्रदर्शित न करते हों और उस सेवा के संबंध में आकस्मिकता निधि से लिया गया और वापस किया गया अग्रिम मौजूद हो, उस वर्ष की 31 मार्च की तारीख के तुरन्त पश्चात् अग्रिम की उस राशि को निधि में फिर से वापस डालने के प्रयोजन से एक सांकेतिक अतिरिक्त व्यय की मांग प्रस्तुत की जाएगी।''

(ग) नियम 8क में, ''नियम 8'' शब्दों और आंकड़ों के स्थान पर नियम 8 के उप-नियम ''(1) और (2)'' शब्द कोष्ठक और आंकडे प्रतिस्थापित किए जाएगें।

(घ) नियम 8–ग में ये शब्द, अर्थात् ''पूववर्ती'' वित्तीय वर्ष के अन्त में शेष अग्रिम जो कि ऐसे अग्रिम हैं जिनके अनुमान दूसरे बजट में सम्मिलित कर लिए गए हैं, हटा दिए जाएंगे;

(ङ) नियम 9 में,—

''महालेखाकार'' शब्दों के स्थान पर ''लेखा-परीक्षा निदेशक'' शब्द प्रतिस्थापित किए जाएंगे।

[सं॰ एफ॰ 4(41) बी(एस॰डी॰)88]

त्रिलोक चन्द अवर सचिव

MINISTRY OF FINANCE
(Department of Economic Affairs)
(Budget Division)

New Delhi the 26th December, 1988

—In exercise of the powers conferred by Section 4 of the Contingency Fund of India Act, 1950 XLIX of 1958, the Central Government hereby makes the following Rules further to amend the Contingency Fund of India Rules 1952; namely:—

1. *(1)* These rules may be called the Contingency Fund of India (Amendment) Rules, 1988.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Contingency Fund of India Rules, 1952,—

(a) In rule 7,—

for the words "Accountant General", the words "Director of Audit" shall be substituted.

(b) in rule 8, after sub-rule (2), the following sub-rule shall be inserted, namely:—

"(3) Any advance from the Contingency Fund which remains unresumed under sub-rule (2) at the end of the financial year in which it was sanctioned shall be regularised as excess expenditure under sub-clause (b) of clause (1) of article 115 of the Constitution of India through an excess demand. In cases where the final Appropriation Accounts do not show any excess under a particular service and an unrecouped Contingency Fund advance remains for that service, a token excess demand will be presented for purposes of recoupment of the advance immediately after the 31st day of March of that year".

(c) in rule 8-A, for the word and figures "rule 8" the words, brackets and figures "sub-rules (1) and (2) of rule 8" shall be substituted;

(d) in rule 8-C, the words "and the advances outstanding at the end of the receding financial year being advances the estimates for which are included in the second budget" shall be omitted;

(e) in rule 9,—

for the words "Accountant General" the words "Director of Audit" shall be substituted.

[No. F 4(41)-B(SD/88]

TRILOK CHAND, Under Secy.

नई दिल्ली, 18 नवम्बर, 1988

सं॰क॰नि॰ 2–राष्ट्रपति संविधान के अनुच्छेद 309 के परन्तुक द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए वित्त मंत्रालय, आर्थिक कार्य विभाग, भारत सरकार की टकसाल नोएडा में कुछ अवर्गीकृत औद्योगिक काडर के पदों पर भर्ती की पद्धति का विनियमन करने के लिए निम्नलिखित नियम बनाते अर्थात—

1. संक्षिप्त नाम और प्रारम्भ (1) इन नियमों का संक्षिप्त नाम, भारत सरकार की टकसाल नोएडा, उ॰ प्र॰ (अवर्गीकृत औद्योगिक काडर पद) भर्ती नियम 1988 है।

2. ये राजपत्र में प्रकाशन की तारीख को प्रवृत्त होंगे।

लागू होना: ये नियम इससे उपाबद्ध अनुसूची के स्तंभ 2 में विनिर्दिष्ट पदों को लागू होंगे।

3. पद संख्या वर्गीकरण और वेतनमान: उक्त पदों की संख्या, उनका वर्गीकरण और उनके वेतनमान वे होंगे जो उक्त अनुसूची के स्तम्भ 3 से स्तम्भ पांच में विर्निदिष्ट है।

4. भर्ती की पद्धति, आयु-सीमा अन्य अर्हताएं आदि:–उक्त पदों पर भर्ती की पद्धति, आयु-सीमा, अर्हताएं और उनसे संबंधित अन्य बातें वे होंगी जो पूर्वोक्त अनुसूची के स्तम्भ 6 से स्तम्भ 15 में विनिर्दिष्ट हैं।

5. निर्हरता:–वह व्यक्ति,—

(क) जिसने ऐसे व्यक्ति से, जिसका पति या जिसकी पत्नी जीवित है, विवाह किया है, या

(ख) जिसने अपने पति या अपनी पत्नी के जीवित होते हुए किसी व्यक्ति से विवाह किया है;

उक्त पद पर नियुक्ति का पात्र नहीं होगा:

परन्तु यदि केन्द्रीय सरकार का यह समाधान हो जाता है कि ऐसा विवाह ऐसे व्यक्ति और विवाह के अन्य पक्षकार को लागू स्वीय विधि के अधीन अनुज्ञेय है और ऐसा करने के लिए अन्य आधार है तो वह किसी व्यक्ति को इस नियम के प्रवर्तन से छूट दे सकेगी।

6. शिथल करने की शक्ति:–जहां केन्द्रीय सरकार की यह राय है कि ऐसा करना आवश्यक या समीचीन है, वहां वह उसके लिए जो कारण है जो उन्हें लेखबद्ध करके इन नियमों के किसी उपबंध को किसी वर्ग या प्रवर्ग के व्यक्तियों की बाबत, आदेश द्वारा शिथिल कर सकेंगी।

7. व्यावृति: इन नियमों की कोई बात, ऐसे आरक्षणों, आयु-सीमा में छूट और अन्य रियायतों पर प्रभाव नहीं डालेगी, जिसका केन्द्रीय सरकार द्वारा इस सम्बन्ध में समय-समय पर निकाले गये आदेशों के अनुसार अनुसूचित जातियों, अनुसूचित जनजातियों, भूतपूर्व सैनिकों और अन्य विशेष प्रवर्ग के व्यक्ति के लिये उपबन्ध करना अपेक्षित है।

IMPORTANT/URGENT

F.No. 10/34/2004-Bgt. I
Government of India/Bharat Sarkar
Ministry of Home Affairs/Grih Mantralaya

... 14 September, 2004
New Delhi, the 14th September 2004.

OFFICE MEMORANDUM

SUBJECT: Control of expenditure against the sanctioned grants/appropriations and proper Assessment of requirements for Supplementary Demands for Grants/Appropriations—Observations of the Public Accounts Committee.

Budget Division of Department of Economic Affairs, Ministry of Finance *vide* O.M. No. 4(12)-B (SD)/2004, dated 17th August, 2004 have conveyed that the Public Accounts Committee (PAC) in their 58th Report (13th Lok Sabha) has taken a very serious view of the instance of persistent excess expenditure over the voted grants and charged expenditure, particularly in those cases where the excess expenditure has been incurred in spite of taking Supplementary Grants.

2. The PAC in its report, *inter alia*, has observed:

"The Committee are distressed to find that the excess expenditure during 2001-02 has occurred even after obtaining supplementary grant of Rs. 6429.59 crore in 12 out of 17 cases of excess registering grants/ appropriations. Strangely, the Ministry of Railways obtained supplementary grants in eight cases of excess registering grants/ appropriations. There were also three instances in Civil Appropriation Accounts where excess expenditure has occurred despite having obtained supplementary grants. The scrutiny of the cases of excess expenditure incurred despite obtaining of supplementary grant reveals that in five cases, the amount of supplementary grants obtained had proved inadequate as the excess expenditure incurred in five cases was more than the supplementary grant obtained. The Committee are of the opinion that the instrument of obtaining supplementary grants was not operated judiciously by certain Ministries/Departments during the year under review. The Committee view this situation with grave concern and express their displeasure over the irresponsible attitude displayed by various Ministries/Departments while obtaining supplementary grants during the year under review. They, therefore, desire the concerned Ministries/ Departments to thoroughly review and scrutinize the budget estimates at the supplementary grant stage itself so as to obtain the supplementary demands not so casually but in rare and emergent cases only".

3. The Budget Division of the Department of Economic Affairs, Ministry of Finance, while calling for the proposals for Supplementary Demands for Grants has regularly been reiterating the need for reviewing of estimates at the Supplementary Grant Stage and making a realistic assessment of the requirements.

4. In this connection, the Budget Division of Department of Economic Affairs while inviting proposals for the Supplementary Demands for Grants have specifically drawn attention to their earlier communication wherein it has been stated:—

> **"Recurrence of excess expenditure over sanctioned provision in certain grants has also been viewed very seriously by the Public Accounts Committee. Needless to say, such expenditure is unauthorized expenditure and must be avoided at any cost. Therefore, not only the Supplementary Demands should be sought for the minimum necessary amount after a thorough review of savings (both under Plan and Non-plan) within the grant but it should be sufficient to cover any foreseeable excess. In order to ensure that this fine balance is met, (there is a need) to keep the expenditure under close watch on a daily basis after sending the proposals for Supplementary Grants and promptly inform us if there is a significant variation requiring correction in the proposals..."**

5. Keeping in view the observations made by the PAC in their 30th Report (13 Lok Sabha), further instructions have already been issued by the Budget Division of the Ministry of Finance *vide* memorandum No. 4 (10)-B (SD)/2002 dated 26th August, 2002 for keeping in view the provisions of Article 114(3) of the Constitution of India and meticulously following the instructions contained in the General Finance rules for control of expenditure against the sanctioned grant/appropriation so that instances of expenditure in excess of sanctioned grant/appropriation are eliminated.

6. In view of the serious concern expressed by the PAC, the Ministry of Finance have once again reiterated that the Financial Advisor of the Ministries/Departments should thoroughly scrutinise the Budget Estimates at the Supplementary Grant Stage in order to avoid instances of excess expenditure. It is, therefore, necessary on the part of all Divisions to thoroughly scrutinise the Budget Estimates at the Supplementary Grant Stage to avoid instances of excess expenditure.

7. In this regard your attention is also invited to this Ministry's earlier OM No. 28/62/2002-Bgt. I dated 26th September, 2002 wherein the recommendations of PAC for keeping a strict control over expenditure was conveyed to you. (Copy enclosed for ready reference).

8. **All Divisional Heads are therefore requested to give personal attention to this matter and ensure strict observance of the directions of Ministry of Finance in regard to thorough scrutiny of Budget Estimates at Supplementary Grant Stage and submit proposals for Supplementary Demands not casually but only in rare and emergent cases and also ensure avoidance of excess expenditure. Action taken in this regard may please be intimated to the Budget Division of MHA immediately.**

Sd/-
(N.A. Viswanathan)
Additional Secretary & Financial Advisor (Home)

To

1. All Joint Secretaries of MHA.
2. Others as per Standard List.
3. Copy for kind information to AS (BM), AS (CS) and PPS to HS/PPS to Secretary (BM)

Sd/-
(Jawahar Thakur)
Chief Controller of Accounts (Home)

COPY FORWARDED TOGETHER WITH ENCLOSURE:—

1. Shri Daya Shankar Pandey, Asstt. Director (Budget), Central Translation Bureau, Deptt. of Official Language, CGO Complex, Lodhi Road, New Delhi.
2. Shri Om Prakash, Fire Advisor, D.G.C.D., East Block VIII, Level VII, R.K. Puram (Main), New Delhi-66.
3. Shri V.K. Sharma, Deputy Director (Budget), O/O the Registrar General of India, Man Singh Road, New Delhi.
4. Shri S. Hariharan, Asstt. Director, Intelligence Bureau, New Delhi.
5. Shri K.M. Nandyal, Director, National Civil Defence College, Ministry of Home Affairs, Nagpur-440001.
6. Shri P.B. Rajappan, Under Secretary, Inter-State Council Sectt., Vigyan Bhavan, Annexe, New Delhi.
7. Shri Brij Mohan Negi, Director (Policy), Deptt. of Official Language, Lok Nayak Bhavan, New Delhi.
8. Shri R.A. Singh, Senior Accounts Officer, National Human Rights Commission, Sardar Patel Bhavan, New Delhi.
9. Shri Sudersan Kumar, Deputy Secretary, Zonal Council Sectt., Jam Nagar House, New Delhi.
10. Shri A. Mohanan, Under Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
11. Shri M. Rai, Under Secretary, O/O Principal Scientific Adviser to the Govt. of India, 310-A, Vigyan Bhavan Annexe, New Delhi.
12. Shri C.A. Subrahmanian, Deputy Secretary, National Security Council Sectt., East Block No. 10, Level-4, R.K. Puram, New Delhi.
13. Shri P.K. Roy, Under Secretary, Prime Minister's Office, South Block, New Delhi.
14. Shri Likhi Ram, Section Officer, President's Sectt., New Delhi.
15. Shri K.K. Bajaj., Under Secretary, M & G Section, MHA, North Block , New Delhi.
16. Shri J.L. Sharma, AIG (Accounts), Special Protection Group, SPG Complex, Dwarka, Sector-9, New Delhi.
17. Dr. K.C. Wadhwa, Director, National Fire Service College, Ministry of Home Affairs, Nagpur-440001.
18. Shri Rajiv Walia, Dy. Director-General, Narcotics Control Bureau, West Block No. 1, Wing No. 5, R.K. Puram, New Delhi.
19. Shri P. Venugopal, Administrative Officer, Sardar Vallabhbhai Patel National Police Academy, Ministry of Home Affairs, Hyderabad-500053.

20. Shri Pinaki Sengupta, Administrative Officer, LNGP National Institute of Criminology & Forensic Science, Ministry of Home Affairs, Sector-3, Outer Ring Road, Rohini, Delhi-110085.

21. Shri A.K. Sood, Joint Asstt. Director, Bureau of Police, Research & Development, CGO Complex, Lodhi Road, New Delhi.

22. Shri Sarabjit Singh, Director-General, Central Forensic Science Laboratory (BPR&D), Block No. 4, 4th Floor, C.G.O. Complex, Lodhi Road, New Delhi.

23. Shri R.P. Sharma, Suppdt., Central Forensic Science Laboratory (CBI), Block No. 4, 4th Floor, C.G.O. Complex, Lodhi Road, New Delhi.

24. Shri Manmohan, Administrative, Officer (FS), Directorate of Forensic Science CGO Complex, New Delhi.

25. Shri A.K. Sood, Asstt. Director (Admn.), Central Detective Training School, CGO Complex, Lodhi Road, New Delhi.

26. Shri Praveen Kumar, Deputy Financial Adviser, Central Reserve Police Force, CGO Complex, Lodhi Road, New Delhi.

27. Shri P.K. Guta, Sr. Accounts Officer, Directorate of Assam Rifles, Shillong.

28. Shri R.P. Joshi, Asstt. Commandant (Finance), Border Security Force, Block No. 1, CGO Complex, Lodhi Road, New Delhi.

29. Shri P.D. Sharma, Deputy Chief Accounts Officer, Indo-Tibetan Border Police, Block No.II, CGO Complex, Lodhi Road, New Delhi.

30. Shri O.P. Nimesh, Senior Accounts Officer, National Security Guard, CGO Complex, Lodhi Road, New Delhi.

31. Shri R.D. Sharma, Asstt. Director (Accounts), Central Industrial Security Force, 13, CGO Complex, Lodhi Road, New Delhi.

32. Shri B.S. Dhupia, Assistant Director, National Crime Records Bureau, East Block NO. 7, R.K. Puram, New Delhi-110066.

33. Shri Rajan Kumar, FA to Commissioner of Police, Delhi Police, I.P. Estate, New Delhi.

34. Shri Hans Raj, Accounts Officer, Directorate of Coordination, Block No. 9, C.G.O. Complex, Lodhi Road, New Delhi.

35. Shri J.S. Chambial, D.I.G., Special Service Bureau, Block No. V. (East), R.K. Puram, New Delhi-110066.

36. Dr. M.S. Rao, Chief Forensic Scientist, Directorate of Forensic Science, Block No. 4, 4th floor, CGO Complex, Lodhi Road, New Delhi.

37. Shri Rakesh Bhatnagar, Asstt. Financial Adviser (B-I), Ministry of Defence (Finance), South Block, New Delhi.

38. The Sr. Account Officer, Pay & Account Office (P&M), Jam Nagar House, New Delhi.

39. Shri J.K. Dadu, Secretary (Finance), U.T. Admn. of Daman & Diu. Moti Daman, DAMAN.

40. Shri J.K. Dadu, Secretary (Finance), U.T. Admn. of Dadra & Nagar Haveli, Silvassa.

41. Shri Sandeep Kumar, Secretary (Finance), U.T. Admn. of Lakshdweep, KAVARATTI.

42. Shri K. Avtar Singh, Secretary (Finance), U.T. Admn. of Chandigarh, CHANDIGARH.

43. Shri P.K. Goel, Secretary (Finance), U.T. Admn. of A & N Islands, PORTBLAIR

44. Shri S.B. Doval, Under Secretary (Planning Cell), Ministry of Home Affairs, North Block, New Delhi.

45. Shri Pooran Chand, Under Secretary (Bgt. II), Ministry of Home Affairs, North Block, New Delhi.

46. Shri Anil Kumar, Sr. Accountant, O/O CCA (Home), MHA, North Block, New Delhi.

47. S/Shri P.S. Dravaria, S.O./Y. Srinivasulu, Asstt./Smt. Anitha K.P, UDC, Budget-I Section, Ministry of Home Affairs, New Delhi.

48. Sr. Accounts Officer, PAO (A/cs), C-I Hutments, Dalhousie Road, New Delhi.

Copy also forwarded for information to:

P.S. to FA (Home)/P.S. to CCA (Home).

Sd/-

(M.P. Rao)
(Deputy Secretary to the Govt. of India)
Tel. No. 2309-2784

SPARE COPIES-25

No. 28/62/2002-Bgt-I
Ministry of Home Affairs
(Budget-I)

New Delhi
Date: 26 September, 2002

OFFICE MEMORANDUM

Subject: Control of expenditure against the sanctioned grant/appropriation—Observations of the Public Accounts Committee.

The Public Accounts Committee in their 30th Report (13th Lok Sabha) relating to Excess Expenditure over the Voted Grants and Charged Appropriation (1999-2000) have taken a serious view of expenditure incurred in excess of the provisions authorized by the Parliament. The Committee have particularly observed, with much more serious concern, the case of excess expenditure in those grants/appropriations where supplementary provisions have been obtained. The Committee have observed that such instances constituted a telling reflection on the approach of the ministries/ departments concerned and on their inability to assess actual requirement of funds even at the fag end of the financial year.

2. In this connection, attention is invited to clause (3) of Article 114 of the Constitution of India according to which no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law passed in accordance with the provisions of the said Article. Thus, expenditure incurred in excess of the grant/appropriation approved by the Parliament is unauthorized. Further, instructions for control of expenditure already exist in part VII of Chapter 5 of the General Financial Rules.

3. Keeping in view the observations of the Public Accounts Committee and the rules/instructions quoted above, it is once again emphasized that strict watch should be kept over the flow of expenditure against the sanctioned grant by regular monitoring as provided in Rule 71, Chapter 5 of GFRs so that the expenditures does not exceed the amounts authorized by the Parliament. In case the amount of a Grant falls short of the requirement, a Supplementary Grant may be obtained before the expenditure is incurred. While obtaining supplementary demands for grants, the amount of supplementary demand may be assessed realistically so that the amount of Supplementary Grant neither falls short of the actual requirement necessitating excess expenditure as pointed out by the Public Accounts Committee, nor the amount is drawn in excess of the requirement resulting finally in surrender of the amount of grant. While obtaining the supplementary grant, savings available within the grant may also be assessed so that additional funds could be provided through the 'Token' or 'Technical' Supplementary Demands for Grants without involving additional cash outgo from the Consolidated Fund of India.

4. All Budget Controlling Authorities are directed to scrupulously follow the above guidelines.

Sd./-
(N.A. Vishwanathan)
Joint Secretary & Financial Adviser

To,

As per list attached.

OM NO. F.4 (10)-B(SD) 2002
Ministry of Finance & Company Affairs
Department of Economic Affairs
(Budget Division)

New Delhi-110001
Dated: 26th August, 2002

OFFICE MEMORANDUM

Subject: Control of expenditure against the sanctioned grant/appropriation—Observations of the Public Accounts Committee.

The Public Accounts Committee in their 30th Report (13th Lok Sabha) relating to Excess Expenditure over the Voted Grants and Charged Appropriation (1999-2000) have taken a serious view of expenditure incurred in excess of the provisions authorised by the Parliament. The Committee have particularly observed, with much more serious concern, the case of excess expenditure in those grants/appropriations where supplementary provisions have been obtained. The Committee have observed that such instances constituted a telling reflection on the approach of the Ministries/ Departments concerned and on their inability to assess actual requirement of funds even at the fag end of the financial year.

2. In the connection, attention is invited to clause (3) of Article 114 of the Constitution of India according to which no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law passed in accordance with the provisions of the said Article. Thus, expenditure incurred in excess of the grant/appropriation approved by the Parliament is unauthorised. Further, Instructions for control of expenditure already exist in part VII of Chapter 5 of the General Financial Rules.

3. Keeping in view the observations of the Public Accounts Committee and the rules/instructions quoted above, it is once again emphasised that strict watch should be kept over the flow of expenditure against the sanctioned grant by regular monitoring as provided. In Rule 71, Chapter 5 of GFRs so that the expenditure does not exceed the amounts authorised by the Parliament. In case the amount of a Grant falls short of the requirement, a Supplementary Grant may be obtained before the expenditure is incurred. While obtaining supplementary demands for grants, the amount of supplementary demand may be assessed realistically so that the amount of Supplementary Grant neither falls short of the actual requirement necessitating excess expenditure as pointed out by the Public Accounts Committee, nor the amount is drawn in excess of the requirement resulting finally in surrender of the amount of grant. While obtaining the supplementary grant, savings available within the grant may also be assessed so that additional funds could be provided through the 'Token' or 'Technical' Supplmentary Demands for Grants without involving additional cash outgo from the Consolidated Fund of India.

Sd./-
(D. Swarup)
Additional Secretary

To,

Shri N.A. Vishwanathan,
F.A. Min. of Home Affairs
New Delhi.

No. 15/3/2004-AFA (H)
Government of India
Ministry of Home Affairs

New Delhi, dated the 7th June, 2005

OFFICE MEMORANDUM

Subject: Realistic Budget assessment—cases where excess expenditure incurred after sanction of Supplementary Grants—Recommendation of 6th Report of Public Accounts Committee (14th Lok Sabha) on "Excesses over Voted Grants and Charged Appropriation (2000-2001).

The undersigned is directed to forward herewith a copy of O.M.No. 12 (1)/ E-Coord./2005 dated 25th May, 2005 along with a copy of Hindi version from Ministry of Finance, Department of Expenditure, E-Coord. Branch on the above mentioned subject for information and compliance.

Sd./-

(D.N. Kataria)
A.F.A. (HOME)

All Divisional Heads including Office of RGI

Copy along with a copy of O.M. No. 12(1)/E-Coord./2005 dated 25th May, 2005 for compliance to:—

1. Ministry of DONER, Vigyan Bhawan, New Delhi

2. DFA (Pers.) — in so far as DOP&T, Deptt. of OL and Deptt. of Justice are concerned.

Copy for information also to:—

PS to AS & FA (H)/PA to CCA (Home) and PA to Director (Fin.H).

Internal Distribution

AFA (Fin.I)/AFA (Fin.II)/AFA (Fin.III)/AFA (Fin.IV)/SO (Fin. V)/US (Budget-I) and US (Budget-II).

F.No. 12(1)/E-Coord./2005
Government of India
Ministry of Finance
Department of Expenditure
E.Coord Branch

New Delhi, the 25th May, 2005.

OFFICE MEMORANDUM

Subject: Realistic Budget assessment—cases where excess expenditure incurred after sanction of Supplementary Grants—Recommendation of 6th Report of Public Accounts Committee (14th Lok Sabha) on "Excesses over Voted Grants and Charged Appropriation (2000-2001).

The undersigned is directed to invite the attention to the recommendations made by the Public Accounts Committee in Para 1.8 of the 6th Report of the PAC, 2004-05 (14th Lok Sabha), regarding excess expenditure incurred during 2000-01, even in those Grants/Appropriations where Supplmentary provisions have been obtained. The PAC has viewed this as a clear case of inefficacious planning, lack of foresight and monitoring on the part of budget controlling authorities. The Committee has observed that such errors could have been avoided, if adequate attention had been paid by the Ministries/Departments concerned for prompt checking and reconciliation of accounts figures. In this regard, recommendations made by the Public Accounts Committee in paras 7.13 and 7.21 of the 30th Report of the PAC, 13th Lok Sabha, may also be kept in view.

2. It is needless to mention that making a realistic assessment of funds required for various expenditure at various stages in a financial year is the basic cornerstone of the budget formulation and estimation. Detailed guidelines have already been provided for in Rule 53 of the General Financial Rules read with the provisions contained in the Appendix-3 thereof relating to expenditure estimates on both plan and non-plan sides and as per these instructions, estimations should be made only after appropriate scrutiny at various levels and as such there should not normally be any occasion for expenditure going in excess of such estimation. Adequate provisions also exist under Rule 73 read with provisions contained in Appendix-6 of the General Financial Rules relating to circumstances under which Supplementary Grants may be raised and in cases where Supplementary Grants are taken, the occurrence of excesses reveals lack of proper scrutiny and assessment of expenditure.

3. The instances brought out by the PAC clearly indicate that Budget Estimates were not made after proper scrutiny, as required under the exsting provision. All the Ministries/Departments are, therefore, advised that expenditure estimates should be made after proper scrutiny and after careful assessment of all relevant factors by scrupulously following the provisions contained in the General Financial Rules.

Further, in order to avoid any excesses over voted/charged appropriations, careful monitoring of expenditure should be made as per provisions contained in the General Financial Rules and this Ministry's O.M. No. 12(3)/E.Coord./2000 dated 13.8.2001.

Sd./-
(Sushma Nath)
Joint Secretary (Pers.)

To,

All Ministries/Departments of the Government of India

All FAs (by name)

O/o CGA, Lok Nayak Bhawan, New Delhi.

फा॰सं॰ 12(1)/संस्था-समन्वय/2005
भारत सरकार
वित्त मंत्रालय
व्यय विभाग
संस्था-समन्वय शाखा

नई दिल्ली, दिनांक 25 मई, 2005

कार्यालय ज्ञापन

विषय:- वास्तविक बजट निर्धारण—वह मामले जहां, स्वीकृत अनुपूरक अनुदानों से अधिक व्यय हुआ—''दत्तमत अनुदानों तथा प्रभारित विनियोजन (2000-2001) से अधिक व्यय'' पर लोक लेखा समिति (14वीं लोक सभा) की छठी रिपोर्ट की सिफारिशें।

अधोहस्ताक्षरी को वर्ष 2000-01 के दौरान किए गए अधिक खर्च के संबंध में, जहां अनुपूरक प्रावधानों को प्राप्त कर लिया गया है, उन अनुदानों/विनियोजनों के संबंध में भी, लोक लेखा समिति, 2004-05 (14वीं लोक सभा) की छठी रिपोर्ट के पैरा 1.8 में लोक लेखा समिति द्वारा की गई सिफारिशों की ओर ध्यान आकर्षित करने का निदेश हुआ है। लोक लेखा समिति ने इसे बजट नियंत्रित प्राधिकारियों की तरफ से स्पष्ट तौर पर अप्रभावोत्पादक योजना, दूरदर्शिता तथा मॉनीटरन में कमी के रूप में देखा है। समिति ने माना है कि यदि लेखा आंकड़ों की तुरन्त जांच तथा समाधान के लिए संबंधित मंत्रालयों/विभागों द्वारा पर्याप्त ध्यान दिया गया होता तो ऐसी चूकों से बचा जा सकता था। इस संबंध में, पी॰ए॰सी॰ 13वीं लोक सभा की 30वीं रिपोर्ट के पैरा 7.21 में लोक लेखा समिति द्वारा की गई सिफारिशों का भी ध्यान रखा जा सकता है।

2. यह उल्लेख करना जरूरी नहीं है कि वित्तीय वर्ष में विभिन्न स्तरों पर विभित्र खर्चों के लिए आवश्यक निधियों का वास्तविक निर्धारण बजट निरूपण और प्राक्कलन का बुनियादी आधारस्तम्भ है। योजना और गैर-योजना संबंधी व्यय प्राक्कलनों से संबंधित विस्तृत दिशा-निर्देश सामान्य वित्तीय नियमावली के परिशिष्ट -3 में शामिल प्रावधानों के साथ पठित इस नियमावली के नियम 53 में पहले से ही दिए गए हैं तथा इन अनुदेशाों के अनुसार, प्राक्कलन विभित्र स्तरों पर उचित जांच के बाद ही किए जाने चाहिए और इस तरह सामान्यत: अनुमान से अधिक व्यय हो जाने का कोई मौका नहीं आना चाहिए। जिन परिस्थितियों में अनुपूरक अनुदान उगााहे जा सकते हैं तथा उन मामलों में जहां अनुपूरक अनुदान लिए जाते हैं, उन परिस्थितियों से संबंधित पर्याप्त प्रावधान भी सामान्य वित्तीय नियमावली के परिशिष्ट-6 में शामिल प्रावधानों के साथ पठित नियम 73 के अंतर्गत मौजूद हैं, अधिक व्यय की घटनाएं उचित जांच तथा व्यय के निर्धारण की कमी को दर्शाती हैं।

3. लोक लेखा समिति द्वारा दिए गए उदाहरण साफ तौर पर यह दर्शाते हैं कि मौजूदा प्रावधानों के तहत् आवश्यकतानुसार सही तरह से संवीक्षा के पश्चात् बजट अनुमान नहीं लगाए गए थे। इसलिए सभी मंत्रालयों/विभागों को सलाह दी जाती है कि वह सामान्य वित्तीय नियमावली में निहित प्रावधानों का सावधानी से अनुपालन करते हुए सभी संबंधित कारकों की सही तरह से संवीक्षा करें तथा सावधानी से निर्धारण के पश्चात् ही व्यय अनुमान लगाएं। इसके अतिरिक्त, दत्तमत/प्रभारित विनियोजनों पर किसी

प्रकार की अधिकता को टालने हेतु इस मंत्रालय के दिनांक 13.08.2001 के का.ज्ञा. सं. 12(3)/ संस्था- समन्वय/2000 तथा सामान्य वित्तीय नियमावली में निहित प्रावधानों के अनुसार व्यय का सावधानी से मॉनीटरन किया जाए।

ह०/-
(सुषमा नाथ)
संयुक्त सचिव (कार्मिक)

सेवा में,

भारत सरकार के सभी मंत्रालय/विभाग।
सभी वित्तीय सलाहकार (नाम से)
महालेखा नियंत्रक का कार्यालय, लोकनायक भवन, नई दिल्ली।

S.No. 36(R)

B.B. Sarkar
उप लेखा–नियंत्रक
Dy. Controller of Accounts
Telefax : 24692852

आ॰ शा॰ क्रमांक
No. 5-1 (3) Pr.AO/DPAR/Grant No. 52-Cabinet/ 2003-04/ 1829
कार्मिक, लोक शिकायत तथा पेंशन मंत्रालय
Minister of Personnel, Public Grievances & Pensions
तीसरा तल, ब स्कंध, लोक नायक भवन
3rd Floor, B-wing, Lok Nayak Bhawan
नई दिल्ली – 110003
New Delhi- 110003

MOST URGENT

Dated 5th Nov., 2004

Sir,

As per Time Schedule forwarded to you *vide* this office. D.O. letter No. 5-1 (3)/Pr.AO/DPAR/AA-General/2003-2004/20-25 dated 02.11.2004, I would like to intimate you that Grant No. 52—Cabinet has exceeded by Rs. 5,59 (Ths) in Revenue Section, the excess is mainly due to the reasons that an expenditure has been booked by Prime Minister's Office to make payment of Court Decree by taking an advance from Contingency Fund of India.

You are requested to confirm the excess and initiate action for the preparation of Explanatory Notes and also furnish the following information in this office for its onward transmission to office of the CGA and DGACR for further necessary action at their end.

(a) Whether the excess has been accepted by the Minister?

(b) Whether the expenditure was regularly reconciled by the departmental authorities and accepted by them from time to time?

(c) Whether prior approval of the FA in terms of note below Para 4.2.4 of CAM has been obtained before authorising excess payment?

With regards,

Your sincerely,

Sd./-
(Dy. Controller of Account)

Shri M.P. Rao
Under Secretary
Ministry of Home Affairs
North Block, New Delhi

MOST IMMEDIATE

No. 13/1/2004- Bgt. I
Government of India
Ministry of Home Affairs

New Delhi, the 14th, 15th December, 2004

To

Shri Sanjay Pandey,
Controller of Accounts,
Ministry of Personnel, PG & Pensions,
3rd Floor, B-Wing, Lok Nayak Bhavan,
New Delhi.

Sub: Appropriation Accounts in respect of Grant No. 52—Cabinet for 2003-04 preparation of Explanatory Note for Excess Expenditure—regarding.

Sir,

I am directed to refer to your letter No. 5-1/(3)/Pr.AO/DPAR/AA/Grant No. 52—Cabinet/2003-2004/2075, dated 08.12.2004 on the above cited subject and to enclose a copy of Explanatory Note for Excess incurred in Revenue (Charged Section) duly signed by JS&FA (Fin.) in respect of Grant No. 52 Cabinet for further necessary action.

Yours Faithfully,

Sd./-
(M.P. Rao)

Deputy Secretary to the Govt. of India

Tel. No. 2309 2784

Encl.: As above.

MOST URGENT
OUT-TODAY

Principal Accounts Office
M/O Personnel, Public Grievances and Pensions
3rd Floor, B-Wing, Lok Nayak Bhawarn,
Khan Market, New Delhi-110003.

No. 5-1(3)/Pr.AO/DPAR/Gr. No. 52 Cabinet/2003-2004/2645 Dated 25th Feb.,2005

To

Shri M.P. Rao,
Under Secretary,
Ministry of Home Affairs,
North Block, New Delhi.

Sub: Explanatory Note in respect of Grant No. 52—Cabinet for 2003-2004—regarding.

Sir,

Please find enclosed herewith the Explanatory Note duly examined with respect to 3rd stage of Headwise Appropriation Accounts of Grant No. 52—Cabinet for 2003-2004 with some corrections made by office of the Director General of Audit, Central Revenue, New Delhi.

You are, requested to incorporate the corrections, which are indicated by office of the DGACR office and send a copy of Revised Explanatory Note duly signed by Secretary/Joint Secretary for its onward transmission to the said office for further action.

Yours faithfully,

Sd./-
(B.B. Sarkar)
Dy. Controller of Accounts

Encl.: As above.

No. 13/1/2004-Bgt. 1
Government of India
Ministry of Home Affairs

New Delhi, the 11th, 14th March, 2005

To

Sh. B.B. Sarkar,
Deputy Controller of Accounts,
Principal Accounts Office,
Ministry of Personnel, Public Grievances and Pensions,
3rd Floor, B-Wing,
Lok Nayak Bhavan,
Khan Market,
New Delhi-3.

Sub: Explanatory Note for excess expenditure, which occurred under Revenue Section (Charged) of Grant No. 52—Cabinet during the financial year 2003-04.

Sir,

I am directed to refer to your letter No. 5-1 (3)Pr. AO/DPAR/Gr. No. 52—Cabinet/ 2003-04/2645 dated 25th February 2005 on the subject cited above and to forward herewith the "Revised explanatory Note" for excess expenditure, duly signed by AS& FA (Home), for onward transmission to Office of the DGACR, for further necessary action.

Yours faithfully,

Sd./-
(S.C. Saksena)
Under Secretary to the Govt. of India
Tel. No. 23092784

Encl.: As above.

MOST URGENT
OUT-TODAY

Principal Accounts Office
M/O Personnel, Public Grievances and Pensions
3rd Floor, B-Wing, Lok Nayak Bhawan,
Khan Market,
New Delhi-110003.

No. 5-1(3)Pr. AO/DPAR/Gr. No. 52—Cabinet/2003-2004/303 Dated 18th May, 2005

To

Shri S.C. Saksena,
Under Secretary,
Ministry of Home Affairs,
North Block, New Delhi.

Sub: Explanatory Note in respect of Grant No. 52—Cabinet for 2003-2004—regarding.

Sir,

Please find enclosed herewith the Explanatory Note in respect of Grant No. 52—Cabinet for the year 2003-2004, with some corrections made by office of the Director General of Audit, Central Revenues, New Delhi.

You are, requested to incorporate the corrections, which are indicated by office of the DGACR and prepare relevant number of copies of the Final Report in English and Hindi duly signed by Secretary/Joint Secretary of Ministry for its onwards transmission to Ministry of Finance & Company Affairs, Department of Expenditure Office of the Controller General of Accounts (Monitoring Cell), Comptroller & Auditor General of India and office of the DGACR.

Yours faithfully,

Encl.: As above.

Sd./-
(B.B. Sarkar)
Dy. Controller of Accounts

No. 13/1/2004-Bgt.I

Government of India
Ministry of Home Affairs

6th June 2005
New Delhi, the 27th May 2005
30th

OFFICE MEMORANDUM

Subject: 'Explanatory Note for Excess' for the excess expenditure which occurred under Revenue Section (Charged) of Grant No. 52—Cabinet during the financial year 2003-2004.

The undersigned is directed to forward herewith 45 copies of English version and 15 copies of Hindi version of the above stated 'Explanatory Note for Excess' for necessary action.

2. The 'Explanatory Note for Excess' has been vetted by Office of the DGACR *vide* their U.O. No. RR/6-16/2004-05/80 dated 6th May 2005.

Sd./-
(S.C. Saksena)
Under Secretary to the Government of India
Tel. No. 23092784

Encl.: As above.

To

Ministry of Finance,
Department of Expenditure,
(Monitoring Cell),
Room No. 29, IInd Floor,
Lok Nayak Bhawan,
New Delhi-110 003.

6th June 2005

No. 13/1/2004-Bgt.I New Delhi, the 27th May 2005
30th

Copy with enclosures (one copy each of English and Hindi Versions) also forwarded to:—

1. Office of the Director General of Audit, Central Revenues (Shri Rajeev Kumar, Senior Audit Officer (RR), AGCR Building, I.P. Estate, New Delhi, w.r.t. their U.O. Note cited above.
2. The Comptroller and Auditor General of India, Bahadur Shah Jafar Marg, New Delhi.
3. Controller General of Accounts, Ministry of Finance, Lok Nayak Bhavan, New Delhi.
4. Guard File.

SPARE COPIES—10

Sd./-
(S.C. Saksena)
Under Secretary to the Government of India
Tel. No. 23092784

Recommendation

With regard to submission of explanatory notes for 17 Grants/Appropriations, which registered excess expenditure during the year 2003-04, the Committee find that although the Ministries of Defence and Railways and Department of Telecommunications furnished the same within the prescribed time limit, there was inordinate delay in submision of explanatory notes by other Ministries/Departments ranging from one month to three months. It is pertinent to note in this regard that there is always delay on the part of Ministry of Finance in furnishing the explanatory notes on the excess expenditure. This delay usually range from one and half month to more than eight months. This year also, the explanatory notes on Appropriation No. 37—Repayment of debt were received from them after three months of the presentation of the Appropriation Accounts (Civil) to the House. Belated submission of explanatory notes by the Ministry of Finance always hamper timely finalisation of the Report of the Committee on excesses. Sometimes the said notes are not furnished to the Committee till the finalisation of the Report. This tendency on the part of Ministry of Finance is no way justifiable particularly when they have been issuing instructions to other Ministries/Departments for timely submission of the explanatory notes to the Committee. The Committee place on record their despleasure over the persistent tendency on the part of Ministry of Finance in furnishing requisite explanatory notes. As it is desirable that excesses over Voted Grants and Charged Appropriations should be brought before Parliament for regularisation expeditiously, the Committee would like the Ministry of Finance to look into the matter and apprise them of the precise reasons for persistent delay on their part in timely submission of explanatory notes. The responsibility should be fixed on the officials for any laxity in this regard. The Committee would also lke to point out that there are other Ministries/Deptts. also, who, at times submit explanatory notes quite late. These Ministries/Departments such as Home Affairs, Information Technology, Development of North Eastern Regions and Personnel, Public Grievances and Pensions, are also requested to ensure timely submission of the requisite notes.

[Sl. No. 3, Paragraph 69 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Department of Information Technology

The delay is regretted. The point is noted for future compliance. The explanatory note on excess/savings was sent to audit in time. There had been some observations from their office. After carrying out the amendments/corrections as per directions of audit the same was again sent for vetting. This transaction took considerable time which caused the delay. However, the concerned officials have been instructed to adhere to the time schedule.

Sd./-
(Ajeer Vidya)
Joint Secretary & Financial Adviser

Department of Information Technology OM No. 3 (11)/2006-Budget dated 2.6.2006
(The Action Taken note has been vetted by O/O DGACR *vide* their UO No. PR-II/57-1/06-07/753 dated 6.06.06)

Recommendation

With regard to submission of explanatory notes for 17 Grants/Appropriations, which registered excess expenditure during the year 2003-04, the Committee find that although the Ministries of Defence and Railways and Department of Telecommunications furnished the same within the prescribed time limit, there was inordinate delay in submission of explanatory notes by other Ministries/Departments ranging from one month to three months. It is pertinent to note in this regard that there is always delay on the part of Ministry of Fnance in furnishing the explanatory notes on the excess expenditure. This delay usually range from one and half month to more than eight months. This year also, the explanatory notes on Appropriation No. 37—Repayment of debt were received from them after three months of the presentation of the Appropriation Accounts (Civil) to the House. Belated submission of explanatory notes by the Ministry of Finance always hamper timely finalisation of the Report of the Committee on excesses. Sometimes the said notes are not furnished to the Committee till the finalisation of the Report. This tendency on the part of Ministry of Finance is in no way justifiable particularly when they have been issuing instructions to other Ministries/Departments for timely submission of the explanatory notes of the Committee. The Committee place on record their displeasure over the persistent tendency on the part of Ministry of Finance in furnishing requisite explanatory notes. As it is desirable that excesses over Voted Grants and Charged Appropriations should be brought before Parliament for regularisation expeditiously, the Committee would like the Ministry of Finance to look into the matter and apprise them of the precise reasons for persistent delay on their part in timely submission of explanatory notes. The responsibility should be fixed on the officials for any laxity in this regard. The Committee would also like to point out that there are other Ministries/Departments also, who, at times submit explanatory notes quite late. These Ministries/Departments such as Home Affairs, Information Technology, Development of North Eastern Regions and Personnel, Public Grievances and Pensions, are also requested to ensure timely submission of the requisite notes.

[Sl. No. 3, Paragraph 69 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha]

Action Taken by Ministry of Development of North Eastern Region

The directions of the Public Accounts Committee have been noted and every effort will be made to ensure timely submission of Explanatory Notes/Action Taken Notes in future.

This has been vetted by Audit *vide* their U.O. No. RR/6-28/05-06/582 dated 10.3.06.

Sd./-
(Hari Krishna)
Joint Secretary to the Government of India

[Ministry of Development of North Eastern Region OM No. 3/7/2005-DONER dated 31.3.2006]

Appendix I

D.O.F. No. 2(66)/B (CDN)/2001

सचिव
व्यय विभाग
वित्त मंत्रालय
भारत सरकार

SECRETARY,
DEPARTMENT OF EXPENDITURE
MINISTRY OF FINANCE,
GOVERNMENT OF INDIA
नई दिल्ली/ New Delhi.
Tel.: 3012929
3011663
Fax: 3017546
12th June, 2001

Dear Secretary,

Finance Ministry has been receiving references from several Ministries/ Departments regarding difficulties in re-appropriation of funds from the lump-sum provision for schemes for the benefit of North-Eastern Region and Sikkim to relevant functional heads.

2. As per the Delegation of Financial Powers Rules, certain powers vest with the Ministry of Finance for re-appropriation of funds which can be met out of savings available within the Grant. It has now been decided that as far as re-appropriation of funds from the lump-sum provision for schemes for benefit of North-Eastern Region and Sikkim are concerned, the power to re-appropriate will be delegated to the Secretaries of the Ministries/Departments, who will exercise this power in concurrence with their Financial Advisers. It may, however, be stressed that this particular delegation of power is limited to the re-appropriation of funds from lump-sum provision to the schemes for the benefit of schemes/programmes in the North-Eastern Region and Sikkim alone. It is, thus, the responsibility of the concerned Ministry/Department to ensure that re-appropriation from the lump-sum provision for the North-Eastern Region and Sikkim is carried out for schemes which are not for the benefit of NER and Sikkim.

With regards,

Yours sincerely,

Sd./-
(C.M. Vasudev)

All the Secretaries to the Government of India.

Appendix II

F. No. 10/34/2004-Bgt. I
Ministry of Home Affairs
(Budget. I Section)

New Delhi, dated 2nd November, 2004.

Subject: Management of Budgetary Provisions in MHA.

Kind attention is invited to instructions issued *vide* F.No. 10/27/2003-Bgt. I dated 20th August, 2002 by Home Secretary regarding Management of Budgetary Provisions in different Grants of MHA.

These instructions *inter-alia* cover the deficiencies pointed out by Audit/PAC from time to time regarding unspent provisions, preparation of Budget Estimates, provisions to be made for new schemes/projects, surrender of savings, supplementary grants and rush of expenditure during the last month and last quarter of the financial year.

1.2 In addition to the above AS & FA (Home) and CCA (Home) have also been drawing the attention of all Joint Secretaries and Directors and Deputy C.As and PAOs to the need for strict observance of the various provisions on Budgetary Control and Management.

1.3 While there is some improvement during the year ending 31st March, 04 in respect of unspent provisions and surrender of savings, there are still cases where rush of expenditure during the last quarter and last month of the financial year were reported. There were also cases where excess expenditure was incurred over and above the budgetary provision. As such the instructions on the Management of Budgetary Provisions are reiterated as below:—

2. Unspent provisions

2.1 Budget Estimates should be made in such a manner that the provision is sufficient for all essential expenditure and that there are no savings at the end of the year. While minor savings/excess expenditure may be justified, large savings of Rs. 100 cr. and above in a grant is not at all acceptable. It is, therefore, necessary that Administrative and Financial Authorities in Ministries and Heads of Departments take appropriate steps to ensure that Budget Estimates are prepared as accurately as possible, expenditure is contained within the authorized provision and savings under various Heads are intimated for surrender or re-appropriation as soon as they are foreseen.

3. Preparation of Budget Estimates

3.1 Rule 54 of the General Financial Rules provides that the estimates of expenditure proposed by the Estimating Authorities should be scrutinized by the Heads of the Departments concerned to see that occurrence of large savings is avoided.

4. Provision for new Schemes/Projects

4.1 There have been many instances of seeking funds for activities in anticipation of required approvals for the scheme and, year after year, provisions for such schemes remain unutilized.

4.2 General Financial Rules provide that no expenditure shall be incurred during a financial year on a 'New Service' not contemplated in the Annual Budget for the year except after obtained a Supplementary Grant or appropriation or an advance from the Contingency Fund during that year.

4.3 As the system of seeking supplementary Grant for a 'New Service' exists, it is safer not to provide funds in the Budget for a new project and to seek Supplementary Grant only after the scheme/project has been approved.

4.4 It is, therefore, necessary to ensure that no provision is made for new projects/schemes, while submitting Budget Estimates to the Ministry and suitable Supplementary Grant is obtained for any new scheme/project only after its due approval by the competent authority.

5. Surrender of savings

5.1 Rule 69 of the General Financial Rules provides that Departments of Central Government shall surrender to the Finance Ministry, before the close of the financial year, all anticipated savings noticed in the grants or appropriation controlled by them. Note I to this Rule also provides that **the savings should be surrendered immediately when they are foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at that time and no savings should be held in reserve for possible future excesses.**

5.2 However, it has been observed in the past that the savings are reported only at the fag end of the year, that too after reminders are sent by the IFD. Such action on the part of the Competent Financial Authorities/ administrative authorities go against the provisions of the General Financial Rules. **If savings are reported, as and when they are observed, such savings can be utilized for other pressing/ additional requirements by way of appropriation.**

5.3 Audit have also observed more than once that the surrenders in certain Grants at the end of the year were much less than the savings in the Grants. This was due to non-reporting of savings by the concerned administrative authorities in time. Audit have also observed a very disturbing trend where surrenders in a particular Grant at the end of the year were more than savings finally occurring in that Grant. This generally happens when the spending authorities incur expenditure more than the final estimates already reported by them to Budget Section.

5.4 It is, therefore, desirable that after periodical review of the budgetary provisions, requirement of funds and the progress of expenditure, if savings or excess under any head are likely to occur, the same should be immediately reported to IFD without waiting until the close of the year so that the available savings could be adjusted against the excess expenditure elsewhere through suitable re-appropriation.

5.5 In order that this system is really effective and meaningful, AS/JSs of Divisions and Heads of Departments may kindly have a regular monthly meeting and review the progress of expenditure *vis-a-vis* Bidgetary provision in respect of all items/schemes under their charge each grant-wise and assess the likely savings/ requirements for balance period of financial year taking into consideration the commitments already made and likely to arise and inform IFD/CCA(H) the expected levels of expenditure and also intimate savings available for re-appropriation.

6. Supplementary Grants

6.1 There have also been instances where additional funds were sought by the administrative units but the actual expenditure was less than even the original provision. Thus, seeking of Supplementary Grant not only did not serve the desired purpose for such units, it also deprived other units who could not be provided more funds even for their more pressing requirements.

6.2 Instances have also been brought to notice where Supplementary Grants sought for a particular "Object Head" were utilized in full but savings occurred in other "Object Heads" of the same "Sub-Head" resulting in net savings in the "Sub-Head".

6.3 Such instances also point to the bad financial management and attract adverse audit observations.

6.4 Therefore, before seeking additional funds by way of Supplementary Grants, the available funds in different object heads should be fully reviewed and if any savings are possible in any of the object heads, such savings should be utilized to meet additional requirement through re-appropriating the funds and Supplementary Grants should be sought only for balance requirement. Further, to avoid situations where additional funds sought in the last batch of supplementaries result in savings, such additional funds, if required, should as far as possible be sought in the second batch of supplementaries (Winter Session of Parliament).

6.5 In the Final Batch of Supplementary funds should be sought only for those activities for which additional funds can be fully utilized before the close of the financial year.

7. Rush of Expenditure

7.1 Rule 69 of the General Financial Rules also provide that the Rush of Expenditure, particularly, in the closing month of the financial year shall be regarded as breach of financial regularity and should be avoided. Audit have also adversely commented upon the trend of disproportionately large expenditure in the month of March and the last quarter of the year.

7.2 Through circular No. OM(12)2/Ecord/2001 dated 11th June, 2001 and No. 4(36) B(SD)/2000 datd 13th July, 2001, Department of Expenditure informed Ministries/ Departments about the adverse observations of Public Accounts Committee on the rush of expenditure in the month of March. Instructions have already been issued, from time to time, to ensure that the rush of expenditure in the month of March and last quarter of the year, should be avoided by close monitoring of the expenditure.

7.3 In this regard attention is also invited to circular No. 10/27/2002-Bgt.I dated 12th June, 2003 wherein instructions received from Secretary (Expenditure)

was circulated wherein all Ministries/Departments were asked to ensure that not more than 33% of the outlay is released in the last quarter of the year.

8. Excess Expenditure

8.1 The Public Accounts Committee in their 58th Report, (13th Lok Sabha) has taken a very serious view of the instance of persistent excess expenditure over the voted grants and charged expenditure, particularly in those cases where the excess expenditure has been incurred in spite of taking Supplementary Grants. The observations of the Committee have been circulated *vide* O.M.No. 10/34/2004-Budget I dated 14th September, 2004.

8.2 These instructions stipulate that **Ministries/Departments should thoroughly review and scrutinize the Budget Estimates at the supplementary grant stage itself so as to obtain the supplementary Demand not so casually but in rare and emergent cases only and to avoid instances of excess expenditure.**

9. Revised Estimates

9.1 After discussions with the Ministry of Finance, the Revised Estimates figures are communicated to all concerned by Budget Division of the Ministry.

9.2 It may be noted that the ceilings thus intimated do not *per se* authorize any expenditure beyond the BE provision till the same is approved by FA(H) Secretary (Expenditure) through suitable re-appropriation or supplementary grant. However, where the provisions have been reduced in the RE below the BE provision, the expenditure should be kept within the RE ceiling so fixed.

9.3 Individual proposals for seeking approval of FA (Home)/Secretary (Expenditure) to the re-appropriation wherever required under extant rules & Instructions (*Vide* rule 10-Delegation of Financial Powers Rules and Orders issued thereunder) should be sent to us separately immediately. The expenditure over and above the BE provisions should be incurred only after receipt of suitable Re-appropriation Orders or Supplementary Grant.

9.4 All the Budget Controlling Authorities are requested to follow the above instructions scrupulously so that objections from Audit are avoided to the maximum extant possible.

Sd./-

(N.A. Viswanathan)

Additional Secretary & Financial Advisor (Home)

To,

1. All Joint Secretaries of MHA & RGI.
2. All Additional Secretaries and Joint Secretaries of Deptt. of Justice/DOPT/Min. of DONER for ensuring suitable action.
3. Others as per Standard List.
4. Copy for kind information to AS(BM), AS(J), AS(CS) and PPS to HS/PPS to Secretary(BM)/PPS to Secretary(P)/PPS to Secretary, DONER.

Sd./-

(Jawahar Thakur)

Chief Controller of Accounts (Home)

Recommendation

With regard to submission of explanatory notes for 17 Grants/Appropriations, which registered excess expenditure during the year 2003-04, the Committee find that although the Ministries of Defence and Railways and Department of Telecommunications furnished the same within the prescribed time limit, there was inordinate delay in submission of explanatory notes by other Ministries/Departments ranging from one month to three months. It is pertinent to note in this regard that there is always delay on the part of Ministry of Finance in furnishing the explanatory notes on the excess expenditure. This delay usually range from one and a half month to more than eight months. This year also, the explanatory notes on Appropriation No. 37—Repayment of debt were received from them after three months of the presentation of the Appropriation Accounts (Civil) to the House. Belated submission of explanatory notes by the Ministry of Finance always hamper timely finalisation of the Report of the Committee on excesses. Sometimes the said notes are not furnished to the Committee till the finalisation of the Report. This tendency on the part of Ministry of Finance is in no way justifiable particularly when they have been issuing instructions to other Ministries/Departments for timely submission of the explanatory notes to the Committee. The Committee places on record their displeasure over the persistent tendency on the part of Ministry of Finance in furnishing requisite explanatory notes. As it is desirable that excesses over Voted Grants and Charged Appropriations should be brought before Parliament for regularisation expeditiously, the Committee would like the Ministry of Finance to look into the matter and apprise them of the precise reasons for persistent delay on their part in timely submission of explanatory notes. The responsibility should be fixed on the officials for any laxity in this regard. The Committee would also like to point out that there are other Ministries/Departments also who, at times submit explanatory notes quite late. These Ministries/Departments such as Home Affairs, Information Technology, Development of North Eastern Regions and Personnel, Public Grievances and Pensions, are also requested to ensure timely submission of the requisite notes.

[Sl. No. 3, Paragraph 69 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Personnel, Public Grievances and Pensions

The observations of the Committee have been noted for strict compliance.

2. It is deeply regretted that a delay of one and a half month had occurred in submitting the explanatory not to the Committee. It is submitted that the delay was not intentional but only procedural, as this Ministry had to obtain the requisite explanations from the Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie, who, in turn, had to obtain the details from CPWD etc. The explanation submitted by LBSNAA had been examined in this Ministry and further clarifications obtained before submitting the same to the Audit for vetting. This procedure has resulted in delay in submission of the explanatory note to the Committee.

3. This Ministry has, however, taken a serious view on the delay in submission of the explanatory note and advised the concerned authorities to avoid any delay in

submission of explanatory notes to the Commission in future. A copy of this Ministry's O.M. No. H. 11013/2/2006-Budget dated 1st February, 2006 is placed at **Annexure-II.**

4. In view of the above, it is requested that the above para standing against this Ministry may kindly be dropped.

Sd./-
(R. Ramanujam)
Joint Secretary (AT&A)

Ministry of Personnel, Public Grievances & Pensions
Department of Personnel and Training
O.M. No. H. 11013/2/2006-Budget dated the June, 2006

This has been vetted by Audit *vide* its U.O. No. RR-II/40-1/2006-07/560 dated 29th May, 2006

Annexure I

No. H. 11013/2/2006-Budget
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel and Training

New Delhi dated the 1st February, 2006

OFFICE MEMORANDUM

Sub: Excess over Voted Grants and Charged Appropriations (2003-2004) Action taken on the recommendations contained in the Twenty-First Report of the Public Accounts Committee (Fourteenth Lok Sabha).

Excess expenditure of Rs. 2.48 lakh had been incurred under the head 4059—Capital Outlay on Public Works 80.051—Construction 05—LBSNAA 05.03—Improvement of infrastructure and upgradation of essential facilities 05.03.53—Major works under Grant No. 70-M/o PPG&P for the year 2003-2004.

2. The excess expenditure had been incurred even after obtaining a supplementary grant of Rs. 60 lakh under the above head at the close of the financial year. This has been viewed seriously by the Public Accounts Committee in its Twenty-first Report submitted to the Parliament on 8th December, 2005. The excess expenditure is against the provisions of Article 114(3) of the Constitution of India and Rule 71 of the General Financial Rules.

3. The excess expenditure had been incurred due to the failure in exercising adequate and proper control of expenditure on the part of the concerned officers/ officials of the Lal Bahadur Shastri National Academy of Administration. Mussoorie, Training Division of DOPT and the office of the PAO, DOPT. The explanations given by LBSNAA/Training Division in this regard had been found to be unsatisfactory by the Public Accounts Committee.

4. The mere explanation that the excess was due to an increase in the rate of building material after the framing of the estimates, and that the same was booked by CPWD in excess of the authorization given to them are not sufficient to absolve the responsibility of the concerned officers/officials in effecting proper control over the expenditure. The additional requirement, if any, could have been reported well in time so as to facilitate reappropriation/obtain adequate supplementary grant. The action of PAO in booking the expenditure without having adequate funds under the relevant head and without observing the provisions contained in Annexure-A to Rules 66 and 75 of the General Financial Rules is also a matter of concern.

5. As the Public Accounts Committee has taken a serious note of the inability on the part of the concerned officers/officials of LBSNAA, Training Division and the PAO in controlling the expenditure effectively, **JS (Training) and Controller of Accounts (DOPT) are requested to look into the matter and advise all concerned so**

that such shortfalls may not occur in future. Action taken in the matter and explanations of the concerned authorities, if any, may be communicated to AS & FA (Home)/Director (Fin. Pers.) immediately.

6. This issues with the approval of AS & FA (Home).

Sd./-
(V.K. Velukutty)
Under Secretary to the Govt. of India
Tel. No. 23092982

1. JS (Training)
2. Controller of Accounts, M/o Personnel, PG & Pensions, Lok Nayak Bhawan

No. H. 11013/2/2006-Budget
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel and Training

New Delhi dated the Ist February, 2006

OFFICE MEMORANDUM

Sub: Excess over Voted Grants and Charged Appropriations (2003-2004) Action taken on the recommendations contained in the Twenty-first Report of the Public Accounts Committee (Fourteenth Lok Sabha).

Excess expenditure of Rs. 2.48 lakh had been incurred under the head 4059— Capital Outlay on Public Works 80.051— Construction 05— LBSNAA 05.03— Improvement of infrastructure and upgradation of essential facilities 05.03.53— Major works under Grant No. 70— M/o PPG&P for the year 2003-2004. Explanatory Note/ Action Taken Note on the Audit/PAC observations on the above had been called for from the Lal Bahadur Shastry National Academy of Administration/Training Division of DOPT. It has been found that there was considerable delay in submission of Explanatory Note to Audit/PAC.

2. The delay in submission of ATN has been viewed seriously by the Public Accounts Committee in its Twenty-first Report submitted to the Parliament on 8th December, 2005.

3. This Ministry takes a serious note on the above shortfall on the part of the concerned officers/officials of LBSNAA and Training Division. All Divisional Heads are requested to instruct the concerned officers so that such shortfalls may not occur in future and to ensure that Action Taken Notes on PAC observations/ recommendations and the report/draft report of the Comptroller and Auditor General of India as well as Explanatory Notes on the observations of Audit shall be given top most priority.

4. This issues with the approval of AS & FA (Home).

Sd./-
(V.K. Velukutty)
Under Secretary to the Govt. of India
Tel. No. 23092982

1. AS (S&V)
2. AS (AR&PG)
3. JS (AT&A)
4. JS (Estt.)
5. JS (Training)

Recommendation

The Committee note from the Indian Railways Appropriation Accounts for the year 2003-04 that the Ministry of Railways incurred an excess expenditure of Rs. 1136.92 crore under 13 cases of nine Grants/Appropriations. The Committee further note that out of nine excess registering Grants/Appropriations, the amount of excess expenditure under three Grants (Nos. 14, 16— Other Expenditure— Capital and SRSF) is more than Rs. 100 crore. To the utter dismay of the committee, as in the last year, the original provisions under Appropriation Nos. 3, 7, 8, 9, 10, 11, 16— OLWR were not available to be spent and thus only supplementary provisions (except Appropriation No. 10) were obtained for this purpose. The expenditure under Appropriation No. 10 was incurred without any sanctioned provisions. What is more intriguing is the fact that under all the nine cases of Appropriation Nos. 3, 7, 8, 9, 10, 11, 16—Capital, Railway Funds and OLWR, the excess expenditure was incurred mainly due to unanticipated decretal payments at the fag end of the year. The Committee regret to point out that the Ministry of Railways have been incurring excess expenditure in the Grants/Appropriations operated by them since the year 2001-02 with the same contributory reasons. Consequently, the Committee in Paragraph 17.9 of their 58th Report (13th Lok Sabha) and Paragraph 75 of their 10th Report (14th Lok Sabha) had not only desired the Ministry of Railways to provide for the decretal payments in the Original/Supplementary Budget, but had also urged them to make additional provisions at the Revised Estimates with more precision. The Committee are unhappy to note that their earlier recommendations have not been taken seriously by the Ministry of Railways so as to bring about the desired result. They, therefore, desire that the recurrent lapses on this account may be carefully looked into, with a view to fixing responsibility at the appropriate level so that there is no recurrence of such excesses.

[Sl. No. 7, Paragraph 73 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Railways

The concern expressed by the Committee in the above quoted report on excess incurred in 2001-02 has immediately been conveyed to the Railways in March, 2004 itself (*Copy enclosed*). At every budgetary stage, the Railways are exhorted to be extremely painstaking and careful in assessing the funds required for decretal payments. However, taking note of the Committee's serious concern in the present report, the Railways have again been urged upon to correctly assess the additional requirement under the charged appropriations in the Revised Estimates itself so as to avoid excess expenditure at the end of the year and they have been instructed to look into the recurrent lapses on this account with a view to fixing reponsibility at the appropriate level so that there is no recurrence of excesses (*Copy enclosed*).

Sd./-
(Sabita Gopal)
Adviser (Finance),
Railway Board.

[Ministry of Railways O.M. NO. 2005-BC-PAC/XIV/21 dated 30.06.2006]

Government of India
Ministry of Railways
(Railway Board)

No.2003-B-342 New Delhi, dated 12.03.2004

The FA & CAOs (F&B)
Southern Railway,
South Central Railway,
South Eastern Railway &
Western Railway

Sub: 58th Report of Public Accounts Committee (PAC) on Excess over Voted Grants and Charged Appropriations (2001-02).

PAC *vide* recommendarion No. 78 of the subject report has expressed displeasure as reproduced below, over the persistent excess expenditure being incurred in charged appropriations pertaining to Demand No. 3 from 1996-97 onwards:

> "Para No.78— The Committee observe that the Appropriation No. 3— Working Expenses — General Superintendence and Services has been persistently recording excess expenditure from the year 1996-97 onwards. The Committee again observe that during the year under review the Appropriation No. 3 registered the highest excess expenditure (Rs. 6,55,479) during the past six years *i.e.* from 1996-97 to 2001-02. The scrutiny of this Grant for the year 2001-02 revealed that the excess expenditure under this appropriation was incurred even after obtaining Supplementary Appropriation of Rs. 6,27,000 and constitute 96.82 per cent of the total sanctioned provisions. The Committee are constrained to record their displeasure over the persistent tendency to exceed the budgetary ceilings. Recurrence of excess expenditure for the past six years under this Grant confirms the belief that there is some inherent defect in the estimation of expenditure which needs to be urgently remedied . The Committee desire that the existing procedures should be critically re-examined and suitably revised on an urgent footing so as to eliminate recurrent excesses under this Grant. The Committee would like to be apprised of the steps taken in this direction."

The scrutiny of records, as shown overleaf, reveals that mainly SR, SCR, SER and WR have been involved in incurring this excess expenditure. It is urged upon the Railways to accurately assess the requirement of charged appropriations under all the Demands and particularly under Demand No. 3 so that the necessary provisions can be projected/provided thereunder during the course of the year itself and thereby eliminating the incidence of excess altogether.

Sd./-
(Meena Agarwal)
Executive Director,
Finance (Budget).

Railway-wise details of appropriations under Demand No. 3

(Rs. in Thousands)

	1996-97					1997-98					1998-99				
	BE	FM	Act	Var		BE	FM	Act	Var		BE	FM	Act	Var	
	1	2	3	3-1	3-2	1	2	3	3-1	3-2	1	2	3	3-1	3-2
SR	0	0	0	0	0	0	0	3	3	3	0	0	7	7	7
SCR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SER	0	0	0	0	0	0	19	90	90	71	0	0	0	0	0
WR	73	188	0	-73	-188	0	123	66	66	-57	100	900	919	819	19
Total	73	188	0	-73	-188	0	142	159	159	17	100	900	926	826	26

	1999-2000					2000-01					2001-02				
	BE	FM	Act	Var		BE	FM	Act	Var		BE	FM	Act	Var	
	1	2	3	3-1	3-2	1	2	3	3-1	3-2	1	2	3	3-1	3-2
SR	0	167	167	167	0	0	0	44	44	44	0	432	432	432	0
SCR	0	0	0	0	0	0	0	8	8	8	0	202	202	202	0
SER	0	0	248	248	248	0	0	70	70	70	0	30	36	36	6
WR	150	150	41	-109	-109	100	100	39	-61	-61	50	13	416	366	403
Total	150	317	456	306	139	100	100	161	61	61	50	677	1086	1036	409

Government of India (Bharat Sarkar)
Ministry of Railways (Rail Mantralaya)
(Railway Board)

No. 2005-B-342 New Delhi, dated 30.12.2005

The General Managers,
All Indian Railways

Sub: Excess over Voted Grants/Charged Appropriations.

As you are aware, no expenditure over and above the sanctioned allotment can be incurred without proper authorization from Parliament. The Board has been emphasizing the need to contain the expenditure within the sanctioned allotment over and again. But there have been recurrent incidences of excess expenditure over the years, particularly under charged appropriations.

Public Accounts Committee has been commenting adversely on the incidences of excess expenditure, especially under charged appropriations, over the years. There have been instances where excess has occurred even after taking supplementary and instances where expenditure has occurred without any original or supplementary appropriation. While criticizing these excesses, that are mostly the decretal payments under charged appropriations and have occurred with the same contributory reasons, PAC, in its latest report, has desired 'that the recurrent lapses on this account may be carefully looked into, with a view to fixing responsibility at the appropriate level so that there is no recurrence of such excesses.

Hence, the Railways are hereby urged to correctly assess the additional requirement under the charged appropriations for 2005-06 RE and 2006-07 BE. Those Railways, which have already submitted their estimates for RE05-06/BE06-07, may after carefully reassessing their requirement under charged appropriations, resubmit immediately if there is any change. The Railways are also urged to take all necessary steps to tighten the existing monitoring mechanism to avoid excess expenditure.

Kindly acknowledge receipt.

Sd./-
(S. Balachandran)
Additional Member (Budget),
Railway Board.

Recommendation

The Committee observe that the excess expenditure incurred under the Grants/ Appropriations operated by the Ministry of Railways showed an increasing trend since the year 2001-02 (Rs. 210.71 crore) to 2003-04 (Rs. 1136.92 crore). Further, Appropriation No. 3—Working Expenses—General Superintendence and Services has been persistently recording excess expenditure from the year 1996-97 onwards, Appropriation No. 7—Working Expenses—Repairs and Maintenance of Plan and Equipment from the year 1999-2000 onwards and Appropriation No.16—Assets—

Acquisition, Construction and Replacement—Capital from the year 2000-01. While deploring this tendency, the Committee in their 10th Report (14th Lok Sabha) had urged the Ministry of Railways to look into the matter and take suitable steps to address the problem of excess expenditure. It was also emphasized that the Ministry should monitor the implementation of the instructions issued by them in this regard with a view to tightening their budgetary control. The Committee are led to the conclusion that the Ministry of Railway have not taken any suitable steps to address this problem of excess expenditure. The Committee strongly feel that the Ministry must analyze in depth the reasons for this recurring phenomenon with a view to initiate some concrete measures whereby budget estimates are prepared more precisely and the actual expenditure is incurred/contained within the funds authorized by Parliament.

[Sl. No. 10, Paragraph 76 of Appendix V of Twenty-first Report of PAC (Fourteenth Lok Sabha)]

Action Taken by the Ministry of Railways

As has already been submitted in the ATN on the above quoted report, instructions were issued on 12.03.2004 to the Railways to arrest the trend of excess expenditure. This issue was also taken up in the FA&CAOs' conferences held in March '05 & May '05. Further, consequent to similar observations in other recommendations, a letter has been written to the Railways on 17.02.05 also. It may be appreciated that the present recommendation deals with the excess expenditure for 2003-04, whereas the action on it has been taken in 2004 and thereafter, hence correction of the position retrospectively has not been possible. Instructions have further been issued to the Railways, on 30.12.05 for curbing the trend of excess expenditure particularly under the charged appropriations, in light of the PAC's latest report on excess expenditure for 2003-04.

Sd./-
(Sabita Gopal)
Adviser (Finance),
Railway Board.

[Ministry of Railways O.M. NO. 2005-BC-PAC/XIV/21 dated 30.06.2006]

Government of India
Ministry of Railways
(Railway Board)

RBA 8/2005

No. 2005/ACII(CC)/37/2 Dated 17th February, 2005

FA&CAOs,
All Zonal Railways

Sub: PAC's observations for streamlining of the system of classification/ control over expenditure on railways.

The Public Accounts Committee, over the last few years has commented adversely on misclassification and excess over expenditure on Railways and has desired a corrective mechanism to be put in place. In particular, the Committee has advised the Railways to review the exchequer control and monitoring system and ensure that expenditure does not exceed budget allocation. In this context, it has expressed concern over the slow implementation of computerized financial management information system, which was expected to correct the existing lacunae in the manual system.

In the light of these observations of the Public Accounts Committee, it is reiterated that Railways must continuously monitor expenditure in every demand in relation to budget provision to ensure that allocation is not exceeded. The Finance and Accounts Codes provide detailed instructions on the subject and it is expected of every Accounts Officer to follow them diligently and ensure that instances of misclassification and excess/savings over budget are avoided. The existing system may be streamlined through detailed analysis of various inputs like Audit reports, internal check and Accounts inspection. Besides, a realistic assessment of charge expenditure may be carried out to plug any loophole to avoid unexpected excess over budget towards the closing months of the financial year. The entire process of budgeting also required a careful review right from the PU stage to avoid differences between expenditure and estimate. A copy of the monthly PU wise review may be enclosed with MCDO to FC.

The Board has been emphasizing the need to implement the FMIS scheme at the earliest. The necessary sanctions and directions have also been issued from time to time. But the progress of implementation so far leaves much to be desired. Despite formation of monitoring committees, targets have not been met. The importance of computerized FMIS requires no emphasis and it is expected that Railways will adhere to the completion targets given by them. FA&CAOs should personally monitor the progress to ensure its timely completion by 31.3.2005.

Kindly acknowledge receipt and confirm appropriate action being taken.

Sd./-
(R. Ashok)
Adviser (AR),
Railway Board.

Government of India (Bharat Sarkar)
Ministry of Railways (Rail Mantralaya)
(Railway Board)

No. 2005-B-342 New Delhi, dated 30.12.2005

The General Managers,
All Indian Railways

Sub: Excess over Voted Grants/Charged Appropriations.

As you are aware, no expenditure over and above the sanctioned allotment can be incurred without proper authorization from Parliament. The Board has been emphasizing the need to contain the expenditure within the sanctioned allotment over and again. But, there have recurrent incidences of excess expenditure over the years particularly under charged appropriations.

Public Accounts Committee has been commenting adversely on the incidences of excess expenditure, especially under charged appropriations, over the years. There have been instances where excess has occurred even after taking supplementary and instances where expenditure has occurred without any original or supplementary appropriation. While criticizing these excesses, that are mostly the decretal payments under charged appropriations and have occurred with the same contributory reasons, PAC, in its latest report, has desired 'that the recurrent lapses on this account may be carefully looked into, with a view to fixing responsibility at the appropriate level so that there is no recurrence of such excess'.

Hence, the Railways are hereby urged to correctly assess the additional requirement under the charged appropriations for 2005-06 RE and 2006-07 BE. Those Railways, which have already submitted their estimates for RE05-06/BE06-07, may after carefully reassessing their requirement under charged appropriations, resubmit immediately if there is any change. The Railways are also urged to take all necessary steps to tighten the existing monitoring mechanism to avoid excess expenditure.

Kindly acknowledge receipt.

Sd./-
(S. Balachandran)
Additional Member (Budget),
Railway Board.

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

--Nil--

NEW DELHI;
19 *April*, 2007
29 *Chaitra*, 1929 (*Saka*)

PROF. VIJAY KUMAR MALHOTRA,
Chairman,
Public Accounts Committee.

PART II

MINUTES OF THE TWENTY-FIRST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2006-2007) HELD ON 19TH APRIL, 2007

The Committee sat from 1600 hrs. to 1630 hrs. on 19th April, 2007 in Room No. "53", Parliament House, New Delhi.

PRESENT

Prof. Vijay Kumar Malhotra — *Chairman*

MEMBERS

Lok Sabha

2. Shri Khagen Das
3. Shri Raghunath Jha
4. Shri Bhartruhari Mahtab
5. Shri Rajiv Ranjan 'Lalan' Singh
6. Shri Kharabela Swain
7. Shri Tarit Baran Topdar

Rajya Sabha

8. Shri R.K. Dhawan
9. Shri Suresh Bhardwaj
10. Shri Prasanta Chatterjee
11. Dr. K. Malaisamy

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri A. Mukhopadhyay — *Joint Secretary*
3. Shri Brahm Dutt — *Director*
4. Shri M.K. Madhusudhan — *Deputy Secretary*
5. Shri Ramkumar Suryanarayanan — *Under Secretary*

Officers of the office of the Comptroller and Auditor General of India

1. Shri P.K. Kataria — Pr. Director of Audit (RC)
2. Shri Nand Kishore — Pr. Director of Audit (AB)
3. Ms. Sudha Krishnan — Pr. Director of Audit (DT)
4. Shri Jayanti Prasad — Pr. Director of Audit (INDT)
5. Ms. Subhashini Srinivasan — Pr. Director of Audit (Railways)

2. At the outset, the Chairman, PAC welcomed the Members to the sitting of the Committee. Thereafter the Committee took up for consideration the following draft Reports:—

(A) Draft original Reports on the following subjects:

(i) *** *** *** ***

(ii) *** *** *** ***

(iii) *** *** *** ***

(B) Draft Action Taken Reports on Action Taken by the Government on the following Reports:

(i) *** *** *** ***

(ii) 21st Report of PAC (14th Lok Sabha) relating to "Excesses over Voted Grants and Charged Appropriations (2003-2004)";

(iii) *** *** *** ***

(iv) *** *** *** ***

The Chairman invited suggestions of the Members on the Draft Reports. After discussing the contents of the draft Reports in brief, the Committee adopted the same.

3. The Committee authorised the Chairman to finalise these Reports in the light of verbal discussion and consequential changes arising out of factual verification by the Audit or otherwise and present the same to Parliament.

4. As the term of the Committee ends on 30th April, 2007, the Chairman apprised the Members of the work done by the Committee in their current term. He stated that during the present term, the Committee have finalized twenty Reports (11 Original and 9 Action Taken), out of which thirteen Reports have already been presented and the remaining seven will be presented in the current Session of Parliament. He expressed his thanks to all the Members for the co-operation extended by them in making this possible and hoped that this momentum would be carried through to the next Committee.

5. The Chairman specially expressed his thanks to the Members namely, Shri Magunta Sreenivasulu Reddy, Shri Madan Lal Sharma, Shri K.V. Thangkabalu and Shri R.K. Dhawan, for their co-operation and contribution in the successful working of the Committee. These Members will not be part of the Public Accounts Committee in the next term beginning from 1st May, 2007.

6. On behalf of the Committee, the Chairman placed on record their appreciation of the Officers/Staff of the Lok Sabha Secretariat attached with the Committee for their hard work and dedication in rendering Secretarial assistance to the Committee.

7. The Committee also expressed their thanks to the C&AG of India and his team for providing assistance to the Committee.

The Committee then adjourned.

APPENDIX

STATEMENT OF OBSERVATIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry/ Department	Observations and Recommendations
1	2	3	4
1.	9	Finance (Department of Expenditure)	From the explanation given by the Ministry of Finance in their Action Taken Note, the Committee note that there is further scope for cutting down the time at various stages in regard to finalisation and submission of Explanatory Notes by them. The Committee expect that in future, the Ministry of Finance would show the requisite urgency in the matter and take all possible steps for timely submission of Action Taken Notes. The Committee regret to note that the Ministry's reply is conspicuously silent with regard to efforts made by the Ministry of Finance in ensuring timely submission of Explanatory Notes by various Ministries/Departments. This shows that the Ministry appears to have not discharged their role as the nodal coordinating agency in ensuring timely submission of Explanatory Notes by different Ministries/ Departments. In their Action Taken Notes, the Ministries of Home Affairs and Communications and Information Technology (Department of Information Technology) have regretted for the delay in submission of Action Taken Notes and assured that in future the same would be furnished on time. The Committee would now expect the Ministry of Finance to take proactive steps to ensure timely submission of Explanatory Notes by various Ministries/Departments. For this the Ministry of Finance in consultation with Comptroller and Auditor General of India should put in place a centralised computerised monitoring system to check the status of the preparation of Explanatory Notes at every stage by various Ministries/Departments so that the delay in finalisation of Action Taken Reports by the Public Accounts Committee for regularization of excess expenditure could be avoided.

1	2	3	4
2.	12	Railways	The Committee have been disappointed to note that the Ministry of Railways have not taken any concrete steps for implementation of their recommendation except giving a general reply that the recommendation of the Committee have been noted and concern expressed by the Committee have immediately been conveyed to the railways. No mention has been made in the reply regarding measures taken or proposed to be taken for reviewing/scrutinizing their budgetary process and overhauling the procedures regarding estimation of budget so that decretal payments are anticipated well in advance and adequate provision for the same are made at the Original/Supplementary Grant stage. The fact that the instructions have been issued time and again without achieving any concrete result warrants that some bold and innovative measures are required to be taken by the Ministry of Railways to overcome this perennial problem of excess expenditure over Voted Grants and Charged Appropriations. The Committee express their displeasure over the lackadaisical approach adopted by the Ministry of Railways which smacks of slackness, inefficacious planning, lack of foresight and non/ineffective monitoring on the part of budget controlling authorities while preparing both budget estimates as well as Supplementary Demands for Grants. The Committee would like to remind the Ministry of Railways about the sanctity of scrupulously following the provisions of General Financial Rules which stipulate that no expenditure should be incurred which might have the effect of exceeding the total Grant or Appropriations authorized by Parliament by law for a financial year except by way of obtaining a Supplementary Grants/Appropriation or an advance from the Contingency Fund of India. The Committee trust that in the larger interest of achieving a sound fiscal health in future, the Ministry of Railways would take suitable steps promptly to ensure scrupulously review/scrutinize the budget estimates at the Supplementary Grant stage itself

1	2	3	4
			by factoring in contingencies of unforeseen expenditure that may arise in future so that the excess expenditure is not incurred after obtaining Supplementary Grants.
3.	15	Railways	Deploring the persistent trend of incurrence of excess expenditure, the Committee in their 10th Report (14th Lok Sabha) had urged the Ministry of Railways to look into the matter and take suitable steps to address the problem of excess expenditure including monitoring the implementation of the instructions issued by them in this regard with a view to tightening their budgetary control. However, to their utter dismay, the Committee note that the Ministry of Railways had merely issued instructions and written letters to Railways to curb the trend of excess expenditure. The reply given by the Ministry of Railways is silent in respect of concrete measures taken or proposed to be taken to eliminate the persistent trend of incurrence of excess expenditure in future. From the Ministry's reply, it is quite apparent that the Railways were just content with issuing instructions and there was no evidence to suggest that the instructions were matched by concrete steps taken to monitor implementation of these instructions in letter and spirit by the field units at the ground level. The Committee reiterate their recommendation that the Ministry must review in-depth the reasons for this recurring phenomenon of excess expenditure with a view to initiate concrete steps, whereby budget estimates are prepared more precisely and the actual expenditure is incurred/ contained within the funds authorised by the Parliament.

MGIPMRND—2177LS—20-7-2007.

PARLIAMENTARY PUBLICATIONS CAN ALSO BE OBTAINED FROM THE FOLLOWING AUTHORISED AGENTS:—

Sl. No.	Name of Agent
	ANDHRA PRADESH
1.	M/s. Ashok Book Centre, Benz Circle, Vasavya Nagar, Vijaywada-520006. (A.P.)
	BIHAR
2.	M/s Progressive Book Centre, Zila School, Pani Tanki Chowk, Ramna, Muzaffarpur-842002 (Bihar)
	DELHI
3.	M/s Jain Book Agency, C-9, Prem House, Connaught Place, P.B.No. 1113, New Delhi-110001.
4.	M/s Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110009.
5.	M/s. Rajendra Book Agency, IV-D-50, Lajpat Nagar, Old Double Story, New Delhi-110024 (T. Nos. 26412362 & 26412131)
6.	M/s Central News Agency Pvt. Ltd., P-23, Connaught Circus, New Delhi-110001.
7.	The Manager, M/s. Books India Corporation, Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110052.
8.	M/s Sangam Book Depot, LG-3, Akarshan Bhawan, 23, Ansari Road, Darya Ganj, New Delhi-110002.
9.	M/s. Biblia Impex Pvt. Ltd., 2/18, Ansari Road, New Delhi-110002 (T. No. 23262515)
10.	M/s. Universal Book Traders, 80, Gokhale Market, Opp. New Courts, Delhi-110054 (T. No. 23911966)
11.	M/s. Seth & Co. Room No. 31 D, Block-B, Delhi High Court, Sher Shah Road, New Delhi-110003.
12.	M/s. Dhanwantra Medical & Law House, 592, Lajpat Rai Market, Delhi-110006. (T. No. 23866768).
13.	M/s. Jayna Book Depot, Chowk Chhapparwala, Bank Street, Karol Bagh, New Delhi-110005.
14.	M/s. Standard Book Co., 125, Municipal Market, Connaught Place, P.B. No. 708, New Delhi-110001 (T. No. 23411919)
15.	M/s. D.K. Agencies (P) Ltd., A/15-17, Mohan Garden, Najafgarh Road, New Delhi-110059.
16.	M/s. Vijay Book Service C-D/123/C, Pitam Pura, Delhi-110034.
	MADHYA PRADESH
17.	M/s. Suvidha Law House, 28 Malviya Nagar, Roshanpura, Bhopal-462003.

Sl. No.	Name of Agent
	MAHARASHTRA
18.	M/s. Usha Book Depot, 585/A, Chitra Bazar, Khan House, P.B. No. 2621, Mumbai-400002.
19.	M/s. Jaina Book Agency (India), 649-A, Girgaum Road, Opp. 2nd Dhobi Talao Lane, Mumbai-400002.
	PUDUCHERRY
20.	Editor of Debates, Legislative Assembly Department, Puducherry-605001.
	TAMIL NADU
21.	M/s. M.M. Subscription Agencies, 123, Third Street, Tatabad, Coimbatore-641012.
22.	M/s. C. Sitaraman & Co., 73/37, Royappettah High Road, Chennai-600014.
	UTTAR PRADESH
23.	M/s. Law Publishers, Sardar Patel Marg, P.B. No. 1077, Allahabad (U.P.)
24.	M/s. Ram Advani Bookseller, Mayfair Building, Hazrat Ganj, GPO Box No. 154, Lucknow-226001.

MGIPMRND—2177LS—17-07-2007.